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The Nation's Business

Mr. Amery Tells About Empire Trade

Link St. Lawrence Canal with Naval Disarmament

Canada Can Make Good Bargain

RT. Hon Mr. Amery who is touring Canada, is probably the most consistent and most persistent advocate of Empire Trade.

In spite of political reverses which indicated that the British people were not ready to accept the Imperial preference plan which had been presented to them, Mr. Amery has gone on preaching the advantages of inter-Empire trade.

Mr. Amery's great strength does not lie in his personality nor in his oratorical ability. In this respect he resembles such politicians as Mr. Meighen and Mr. Rowell. Like them, too, his great strength lies in his sincerity and his great capacity for work.

Mr. Amery holds tenaciously to the doctrine of development of Empire Trade and uses every opportunity that comes to him for informing and educating the people in Great Britain regarding the advantages and, indeed, the absolute necessity of working out some such plan.

* * *

THERE are two great obstacles in the way of any broad Imperial preference scheme.

First, the people of Great Britain are opposed to putting a tax on wheat or on food products in order to give a preference to the Dominions.

Second, Canada and the other Dominions are opposed to any plan which would prove detrimental to their manufacturers.

These are not, however, insuperable obstacles and, if the general plan is accepted of pooling resources, details can be worked out which will demonstrate that the advantages greatly outweigh the disadvantages. The great need at the moment is that this important question should receive careful consideration from business men in all parts of the British Empire. Mr. Amery is undoubtedly doing his part in this important phase of the work.

* * *

THE St. Lawrence Waterways [illegible] become even more of an in[illegible] matter than at the present. The United States people [illegible] gigantic power-navigation [illegible] administration at Washington [illegible] strongly committed to it. The St. Lawrence project is counted as one of the things that the Republicans hope will put them back in power in the next presidential campaign. This is the reason for the feverish haste on the part of the United States to get on with the project. No such lively propaganda has shown itself in Canada and the government will probably take its time about getting the enterprise under way.

A number of British politicians feel that Canada should link the canal with the naval controversy; should, to speak bluntly, make naval disarmament the price of the canal. Their theory is that Canada should withhold its co-operation on the canal until the United States has taken up Britain's challenge to stop the naval race that threatens when the Washington treaty expires in 1931. The gesture of the British government this week in cancelling orders for two battleships was a direct invitation to the United States. It is hardly likely to prove popular in the Old Country, especially at Newcastle and on the Clyde, and considerable courage was shown by the Baldwin government in taking this step prior to an election and without any assurance that the United States would follow suit.

* * *

ONE difficulty is apparent to Canadians in any plan to make disarmament the price of the canal; this is that Canada and Great Britain are not a political unity. It would be very difficult to induce any Ottawa group of political leaders to handle any matter which they consider purely of domestic concern in the light of British or Imperial needs.

There are many intricacies to the St. Lawrence waterway as a political issue and it may upset many political careers before ocean boats dock at Hamilton and upper lake grain carriers unload at Montreal.

* * *

CANADA is chiefly concerned with getting the canal without making its construction a burden on the treasury. Private development of the lower reaches of the river, with power paying for the canal and international development of the central section on a basis that puts the financial burden on the country that is most insistent in its demand for the canal and that has done the least for the development of the Great Lakes water routes, namely the United States, is a logical way out if it can be accomplished. This, it is understood, is about what the National Advisory Commission recommends.

In no unfriendly spirit, it may be said that it should not be hard to get such an arrangement from the United States. A few hundred millions here or there is nothing when there is an election to be won. And the election, it seems, is not without its problems for the Republicans. They cannot afford to miss any opportunities.

DONNACONA BONDS RISE

Over-subscription of the new issue of debentures of Donnacona Paper Company, offered this week, was followed by a rise in the price of the bonds, from 99½ to 100½.

MERGER AIDS TWO WALKER DISTILLERIES

Lending of Alcohol Between Companies Promotes Marketing

SALES ARE GROWING

Co-operation Between Units Helps One in Canada, Other in Foreign Fields, Some New

The affiliation of the Hiram Walker and Gooderham & Worts distilleries under a holding company known as Hiram Walker-Gooderham & Worts, Ltd., is proving beneficial, it is learned on good authority. The statement that earnings have been between $6.50 and $7 the share is believed to be an ultra-conservative estimate. An increase in the dividend on this stock may be expected within a short time, although it is said that the question of an increase in the rate from $2 never has been discussed at a meeting of the board.

First among the immediate benefits arising from the merger is said to be the trading of alcohol in various stages of maturity between the two operating companies. While the markets of Hiram Walker are big and growing, the stock of matured alcohol was larger than was essential. On the other hand, Gooderham & Worts were short of matured liquor and has a warehouse filled with new stock. This new stock will be available for Hiram Walker by the time the Walkerville distillery needs it.

Add New Brands

Business is growing. In the old days the two distilleries had two brands of rye. Each now has three brands and the new brands, selling at slightly lower prices are finding an excellent market both at home and abroad. In addition, both companies are manufacturing Scotch whisky and gin, and the Walkerville distillery has developed a cocktail that is finding favor.

Gooderham & Worts' domestic markets, and connections therein, have remained its principal field. The Walker distillery, while it did a good business at home, has also an excellent goodwill in nearly every country in the world. The co-operation of the two sales organizations is resulting in a growth of domestic business for Walkers and a growth of export business for Gooderham & Worts, without detracting from the domestic business of the latter or the export business of the former.

Stock Behaves Well

Many economies effected by the present management at Walkerville account in part for the rapid growth in earnings. New sales organizations have replaced those which were not effecting the desired results and initial efforts to gain a foothold in such virgin territory as Australia and the Argentine are showing signs of permanent success.

The Hiram Walker-Gooderham & Worts stock has been behaving well. Most of the gain won by Walker's in the last two or three weeks has been held in the face of erratically nervous markets. Friends of the stock are expressing confidence in the future of the stock in view of the favorable conditions which prevail in the company and the apparently strong technical position of the stock itself.

LEADING MONTREAL FINANCIERS IN SUNNY ALGIERS

AMERICAN BAR

Three Montreal financiers enjoy a temperate climate in a temperate way at the Orientale Hotel in Algiers, where they stayed during their Round-the-World cruise on the Empress of Australia. Left to right: Edson L. Pease, Albert J. Brown and Hugh Paton.

Board Recommends Users of Power Pay for Cost of Canal

Rumored That Committee Favors Application of Sweezey-Griffiths

REPORT ITEMIZED

Prime Minister Withholds National Advisory Committee's Report on St. Lawrence Waterway

From Our Own Correspondent

OTTAWA.—The Prime Minister, Rt. Hon. W. L. Mackenzie King, does not intend to release the report of the National Advisory Committee on the St. Lawrence Waterways development for general publication until the Cabinet has had time to agree upon a policy for the future.

In taking this position, the Prime Minister is doubtless seeking a breathing space in which to consider the Waterways question without the constant interruption and distraction of warring financial syndicates interested in the power phases of the development. From what has trickled through the political [illegible] of the Capital, it is clear that the report is not a mere string of words, without much meaning. On the contrary, the members of the National Committee appear to have gone into the most important and controversial features of the Waterways and to have made definite recommendations on most of them. It must follow, therefore, that the report will create controversy when it is made public, and many powerful combinations of men whose plans may be menaced by these recommendations are sure to exert their influence to have the government decline to accept the report in entirety.

This is thought to be the chief reason why the Premier is keeping the report secret. If he is able to announce, when issuing the report, that the policy of the government has been decided upon, he will have

(Continued on page 2)

Lethbridge Breweries Attracts Investors

CALGARY.—The common stock of Lethbridge Breweries now selling around 97 is attracting investors because of authentic information which indicates that the company in 1927 earned close to 25 per cent. on the common stock, of which there are 23,000 shares of $100 par. The stock has been changing hands recently at a point or two under par.

The book value of the stock is $138 per share. The preferred stock is composed of 2,000 shares of $100 par.

Products of Lethbridge Breweries are favorably regarded by consumers. The Alberta liquor law permits malt liquor to be served by the glass in public beverage rooms. The market in the southern part of the province appears to be divided between the Calgary beers and those put out by the Lethbridge Breweries.

BANK OF TORONTO CHANGES INVOLVE RISE FOR NUMBER

John R. Lamb to Remain Active Executive as Vice-President

Institution of a practice in vogue in the United States is a significant feature in connection with the retirement of John R. Lamb as general manager of the Bank of Toronto and his retention of the office of vice-president. For the first time in the history of this bank, there will be a vice-president daily active in the executive duties. It is the custom in American banks to add to the number of executive vice-presidents as the business grows.

Recent rapid growth in the business of the Bank of Toronto made it expedient and desirable to separate the dual office of vice-president and general manager held by Mr. Lamb. It is pointed out that the change announced this week does not mean any lessening of the activity of Mr. Lamb in the affairs of the bank.

Two Careers Nearly Parallel

The appointment of D. O. Henwood, assistant general manager, to the post of general manager was to be expected. In this connection it is interesting to note that Mr. Lamb and Mr. Henwood have been close associates throughout the greater part of their careers. Mr. Henwood was Mr. Lamb's subordinate in their early years when Mr. Lamb was accountant of the Montreal branch. In later positions, Mr. Henwood followed Mr. Lamb. Shortly after Mr. Lamb was appointed manager at Winnipeg, Mr. Henwood went to Vancouver in similar capacity.

Marsh Moves to Head Office

F. H. Marsh, who succeeds Mr. Henwood as assistant general manager, will be moved to the head office in Toronto. He has been Western supervisor with headquarters in Winnipeg.

Creation of a separate high executive position will mean a number of promotions all along the line, even to the manager of branches in smaller towns, it was stated yesterday. Names of those who are to be promoted, it is said, will be announced within two or three weeks.

Census Results Show Need for Immigration In Prairie Provinces

Only Forty Per Cent. of Immigrants Are Retained During Ten-Year Census Period—Immigration Department, Ottawa, Blamed for Impasse

By C. W. PETERSON,
Editor "Farm and Ranch Review"

The 1926 census results covering the Prairie Provinces has been received with consternation by the thinking people of Canada. The trifling increase shown in the rural population has given rise to expressions of apprehension in the press and on the platform. The total urban and rural population in 1916 was 1,698,137. Ten years later it is given at 2,067,682.

Taking into consideration natural increase for that period, the continued drift from East to West and the recorded United States overseas immigration destined to that part of Canada, which in itself amounted to 358,469 souls, the population in 1926 should have reached 2,550,000 in round numbers, which, deducted from the actual census figure, shows a deficit of 482,000. We have, in fact, retained less than forty per cent. of our immigration and natural increase during this ten-year census period.

For a country with such enormous a volume of untouched agricultural resources as our prairie section, the present situation can only be regarded as disastrous. The direct and unfortunate effect of such a record of stagnation upon the commerce and industry of Eastern Canada is too obvious to require comment. A home market for the requirements of almost half a million people has been irretrievably lost. As a consequence, lack of business and industrial opportunity gives further stimulous to the great Canadian southbound trek, which shows no sign of abatement and continues to drain our country of a hundred thousand units of our best human material each year upon which millions have been spent in education and manual training. The question naturally arises: "What is the fundamental reason for this paradoxical situation?" Are we to take it for granted that an under-populated agricultural country, such as Western Canada is, has reached its limit of development? No sensible person is willing to endorse any such foolish conclusion. We are, therefore, forced to look elsewhere for the cause.

Developing Home Market

The fact of the matter is, that our Department of Immigration at Ottawa, and, to a large extent, public opinion in Canada generally, continues to move in a pre-war atmosphere. The fundamental social and economic changes that have taken place since 1914 are not yet fully appraised. We will make little progress with solving the problem of permanent colonization in Canada until we revise our views and policies on that subject completely. Europe is filled to overflowing with urban unemployment. To transport that class of people to Canada is an easy task, but will not promote increased rural development. We talk glibly about our "selective" system, but that does not help us to create jobs for the unemployed, which is precisely what an intelligent policy, having as its central object the actual placing of people on the land, naturally would be designed to do through increased agricultural production, leading to correspondingly increased home consumption of manufactured products and use of commodities and services. We lack, in fact, a constructive policy on this subject almost completely.

The day of "pumping" people into Western Canada with the comfortable assurance that a satisfactory proportion of them will presently

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Say Cockshutt at Last Decided

Sharp advance in the value of the preferred stock of Cockshutt Plow this week is interpreted as meaning that one of three definite proposals recently under consideration by the directors has been accepted as feasible for submission to the shareholders.

Details of none of the offers have been forthcoming but it is believed that a formal announcement will be made shortly. The arrears of dividends on this preferred stock total 56 per cent. Four per cent. was paid last year. It is believed that the company enjoyed a much better year in 1927 than ever before.

HAYES WHEELS TO BRANCH OUT IN OTHER LINES

Company Wants to be Less Dependent Upon Automobile Industry

IN GOOD POSITION

Arrangements are about concluded by Hayes Wheels and Forgings, Ltd., for the branching out of its business in order to make it less dependent upon the automobile industry.

Up to the present, this company has been largely engaged in manufactured auto wheels and other accessories for the motor car companies operating in Canada. During the early part of last year, their plants were operating at capacity. In the latter half of 1927 business was practically at a standstill; in fact, operations were carried on at a loss.

Lately the company has received a number of orders from General Motors and the Durant companies, which have enabled them to open their plants at Merritton and Chatham. Only one shift is working.

Economies Made

Various economies have been made in plant operations since last summer. The Merritton plant is now engaged exclusively in manufacturing axles. Hitherto the casting only was done and the machine work carried out at Chatham. This process has been abandoned now and the Chatham plant has been turned over to the manufacture of wheels. Thus, operations in the two plants are kept distinct from one another.

As far as present business is concerned Hayes Wheels and Forgings is in a good position, but there is every evidence to indicate that a price war is in force between the various motor car manufacturers. It has not yet assumed any great importance, but it is feared that before the end of next summer substantial reductions will be made on all models.

The brunt of this fight naturally will be carried by the producers, but they in turn will pass part of the cost of the price war on to the accessory manufacturer. While profits in the past have been large and a lower cost could be brought about without seriously affecting the position of the accessory companies, it is felt that the automobile industry, for the next few years at least, will pass through a stage of transition which will not be beneficial to allied lines.

The management of Hayes Wheels and Forgings have taken these points into consideration and several months ago began looking about for products which they could profitably manufacture without involving additional expense through the installation of new machinery, etc. Several products have been under consideration and it is stated that Hayes Wheel have decided on several new lines.

Reclaimed Rubber

Arrangements are said to be about completed for turning over the Galt plant to the manufacture of various rubber products, utilizing as the raw material reclaimed rubber. Much of the equipment at that plant is said to be suitable for the new purpose. During the first year about 4,000,000 pounds of reclaimed rubber will be used. Sheet rubber will be the principal product. There will also be a large number of sundries produced, but rubber tires, tubes, etc., will not be manufactured.

Manufacture of two or three iron or steel products has been under consideration, but so far the management has only decided on the production of automobile bumpers. This will be different from the usual type in use at present, as it will be made from one piece of steel. Presses and other machinery used in the manufacture of this item are already installed.

Further products will be added later on and it is hoped, through the introduction of these new products, that the company will be able to maintain operations on a uniform basis throughout the year. There will be no immediate change in the earning power of the company as it will take some time to establish these new branches on a paying basis.

DURANT RATE TO BE KNOWN IN FEBRUARY

Dividend Comes for Canada Sooner Than for Parent Company

HOPES HIGH FOR 1928

Executives and Dealers Believe New Models Will Find Favor; Exports Are Disappointment

Announcement by Roy D. Kerby, general manager, of the intention of the directors of Durant Motors of Canada to pay dividends in 1928, is the most cheering bit of news received by the 11,000 shareholders in this company throughout Canada since the stock was sold, mostly to small investors, in 1922 and 1923.

The amount of the dividend has not been stated, but The Financial Post learns that it will be paid quarterly, and that the rate will be announced in February.

Thus shareholders who do not exercise their right to convert their shares into shares of Durant Motors, Inc., of Delaware, the parent company, prior to August 1, 1926, are in somewhat better position than shareholders who exchanged their shares. No dividends as yet have been paid or declared on the shares of Durant Motors, Inc.

The present price of Durant Motors of Canada, as quoted by dealers in unlisted stocks, is 4¾ to 5¾ for each share of $10 par value. This price compares favorably with a current quotation of 10 to 10½ per share of Durant Motors, Inc., on the New York Curb. A year ago, the unlisted dealers were quoting Durant of Canada shares at 1½ bid and 2½ asked, although it was known then that the company was beginning 1927 with a substantial cash balance, a sound position and good prospects.

Originally there were three classes of Durant of Canada stock. The three classes were sold at $15, $12.50 and $10, and the bases of exchange were respectively two shares of Canadian for one of Delaware, two and a half shares of Canadian for one of Delaware and three shares of Canadian for one of Delaware. All classes were of $10 par value and the distinction between them was wiped out with the expiration of the exchange right in August, 1926.

At the conclusion of the exchanges, it was announced that 40 per cent. of the stock of Durant of Canada was owned by Durant of Delaware. The parent company ranks with individual shareholdres for dividends, but there are certain contracts for parts and accessories which accrue to the benefit of the affiliated companies and the parent company.

The announcement of the dividend at this time came as somewhat of a surprise in view of the general impression that Durant, with manufacturers of other cars in the moderate price class, had not been particularly active in the last half of 1927. The Financial Post is informed, however, that earnings for the year have been satisfactory, in view of the prevailing conditions, and that the balance sheet which will be available in a few weeks will show a material improvement over that for 1926, which was the first year that the company showed an operating profit.

While it is said that the company did a fair business in the domestic market in 1927, the earnings are traceable to economies of manufacture and distribution which have been evolved by the present management. The export market, however, has proved a disappointment, and no material change for the better is expected in 1928. It was stated that the company hopes, however, to maintain the same volume that prevailed in 1927.

This year begins well, it is said. The dealers have just concluded a convention in Toronto, where inspection of the new models and meetings at the plant at Leaside, with the announcement of the dividend, have aroused considerable enthusiasm. Durant, in the last two or three years has been conspicuous for the loyalty of its dealer organization, while the quality of the product may be said to have won the confidence of the public.

The most conspicuous betterment in the new models is the installation of four-wheel brakes, which will be a feature of all the models. The radiator has been changed and there are improvements mechanically and in the bodies. It is believed that the motoring public will take kindly to the new cars and the officials of the company are confident that the quality will continue to build goodwill.

All three models of the new Star-Durant cars will be manufactured at the Leaside plant of Durant of Canada, although there will be certain parts imported, as with other Canadian-made cars.

Improved Business Aids Pure Gold Co's. Common

Recent advance in the market price of the no-par common shares of Pure Gold Mfg. Co., listed on the Toronto exchange, is said to be a reflection of improved conditions in the business as the result of an aggressive marketing and advertising campaign now being followed by the management. The company is reputed to possess an excellent goodwill upbuilt over a term of more than half a century and some who are interested in the stock believe that the business possesses most of the elements that should result in continued and greater success.

The stock was originally offered the public about three years ago at 24½. Beyond an initial spurt which carried it to 27, it never has sold above the offering price until the last week.

As has been reported previously in The Financial Post, profits for the first months of the current fiscal year are running ahead of last year. The advertising campaign consists of a series of billboard advertisements which will cover a year with monthly changes in the display.

Link Frank Jones With Giant Project for St. Lawrence

He is Man Behind Beauharnois Power Enterprise

SIFTON IS NOT IN IT

Ottawa Government is Not Unsympathetic, While Quebec Seems to Favor Project

From Our Own Correspondent

MONTREAL.—When Frank P. Jones folded up the tent of the Canada Cement sale, gave up his position as executive head of the company and silently stole away to England, he told the newspaper reporters that he was going to take a rest from the strenuous labors of many years.

On learning this, most of the newspaper lads sighed and wished that they, too, could fold up their typewriters and take a winter abroad with perhaps a little golf and gambling on the Riviera. A few of the financial reporters of the daily press, though, realized that Frank P. Jones' characteristics were not those which would allow him to idle; they wondered to what constructive activity he would give his attention.

He is in England Now

For some time, Frank P. Jones has been in England. For the many who are still wondering what has been engaging his attention, The Financial Post is able to announce that he is the administrative and executive head of the strong group of Canadians behind the Beauharnois Light, Heat and Power Company. This is the company which holds the enormous power site on the St. Lawrence just twenty-five miles up the river from Montreal, and provided the Federal Government gives its assent to, the undertaking it will commence operations with an initial development of 800,000 h.p., practically all of which has already been sold to industries which will locate in Canada immediately the project gets under way.

It is strange that Mr. Jones should be abroad while the suggested Beauharnois development is even now under discussion in Ottawa. But from London word reaches The Financial Post that he is doing business with some of the British industrialists. On the face of it, it is obvious that his work [illegible] must be [illegible] hydro electric [illegible] Canada reveals without the shadow of a doubt that Mr. Jones is even now arranging power contracts with British industries which will come to Canada to utilize the power developed at Beauharnois immediately the project is authorised by the Government.

Post's Scoop Surprised Many

The news of this stupendous hydro-electric project, which was uncorked exclusively in The Financial Post last week came as a surprise to many who felt that hydro-electric development on the St. Lawrence would be delayed until the completion of the St. Lawrence deep waterways, or at least until some scheme for the development of the waterways had been definitely adopted by the Government. Following publication of the story in The Post it was flashed all over Canada by the Canadian Press.

The project lies wholly within the borders of Quebec, and it is believed that the strong group which controls the Beauharnois Light, Heat and Power project, has the sympathy of th provincial Government. It is thought, too, that they will receive the utmost consideration from the Federal Government for the scheme in no way interferes with deep water navigation on the St. Lawrence. Indeed, it is a very decided step toward the accomplishment of

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Page-Hersey Rumor is Groundless

There is no foundation for reports that Page-Hersey is involved in a projected deal which would include two other companies in allied industries. This The Financial Post learns on reliable authority.

Recent advances in the common and convertible preferred stock of this company is not justified other than by the promise which this company holds out for the long hold, it is stated. The annual report which will be available in a few weeks is not likely to show any material increase in earnings over 1926, although it is not likely that the published statement will include the earnings of subsidiaries.

WABASSO COTTON ISSUE OF STOCK SHOWS PROGRESS

Rights on Present Shares Worth $13; Management is Regarded Highly

From Our Own Correspondent

MONTREAL.—The able management and steady progress enjoyed by the Wabasso Cotton Company is reflected in a new stock issue of 17,500 shares which are being offered to the present shareholders at $80 per share on the basis of one share of new stock for every three shares outstanding. Shareholders on record as at February 1 next will be entitled to participate in the offering. The subscription price of the new stock will be payable in eight monthly installments of $10 each commencing March 1.

The recent sales of Wabasso shares have been at about 135. At this level, the offer of new stock at 80 confers rights which are worth over $13 per share. Early in 1927 an offering of 17,500 shares was made at $60 bringing the outstanding capital up to 52,500 shares. The present issue will increase the outstanding stock to 70,000 shares and will leave 35,000 shares in the treasury still to be issued.

Wabasso has done well for its shareholders in recent years. The company's management sticks closely to its business of manufacturing cotton at Three Rivers. Additions have been made to the plants and new lines have been added. It is understood that successful results have been achieved in the new lines and by the expansion of the property.

PERFECTION GLASS NOW CONTROLLED BY NEW GROUP

Company Has Had Phenomenal Growth and Operates Three Plants

After lengthy negotiations a group of representative business men, resident in Montreal and Toronto, have acquired a controlling interest in Perfection Glass Company, Limited.

Now that the company has been completely financed no more treasury stock will be sold.

Mr. James A. Watt, the former president and organizer of the company, is said to be still the largest individual shareholder, but through the transaction involving control of the company, Mr. Watt has been relieved of his financial duties with respect to the company. He will, however, be afforded an opportunity of developing two inventions which, we understand, will soon be placed on the market.

The new interests who have acquired control of the company will be represented by the following group: President, A. W. Holmested, Toronto, president, Carl Grobba, Limited, director, Page-Hersey Tubes, Limited; vice-president, Duncan McLaren, Toronto, president, Union Lumber Company, Limited, president, Toronto Brewing & Malting Company, Limited; director, J. P. Anglin, Montreal, president, Anglin-Norcross, Limited; director, F. E. Smith, Montreal, vice-president, McCallum, Smith & Company, Limited; director, J. J. McFadden, Spragge, Ont., president, McFadden Lumber Company, Limited, president, Towagmac Mining Co., Ltd.

Later, after the confirmation of the necessary by-law, the board of directors will be increased to seven by the addition of two more influential men resident in the province of Quebec.

J. H. Charles, formerly general manager of Metals Chemical, Limited, has been appointed general manager of the company, with headquarters at Montreal.

The company has had a phenomenal growth, it having been in operation only twenty months, and is now operating three plants in Montreal, Toronto and Windsor.

The growth of the company, however, is partly due to the fact that the company acquired the assets and goodwill of La Cie Ceramo Vetrail and Toronto Plate Glass & Importing Company, Limited, the former having been engaged in the glass business for fifteen years and the latter for forty-seven years.

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OFFER APPEALS, DOMINION IRON BONDS ASCEND

Guaranteed Issue Touches 95 Quickly After Languishing at 70

RECEIVER BACKS STEP

National Trust Said to be Cognizant of Latest Development in Besco's Tangled Affairs

From Our Own Correspondent

MONTREAL. — The guaranteed bonds of the Dominion Iron & Steel Co. now change hands at around 95 as against a quote of about 70 before the bid of 96 was made to the bondholders.

National Bond & Share Co., believed to be in sympathy with the objects of National Trust, has agreed to purchase the guaranteed 5 per cent. consolidated, mortgage, 1939 bonds of the Dominion Iron & Steel Co. at a price of 86½ per cent. of their face value together with interest unpaid and accrued to date, making a total present bid for the bonds approximately equal to $960 for every $1,000 bond.

Offer Good to January 31

The Dominion Iron & Steel Co. has outstanding $5,159,000 in first mortgage bonds and $7,035,253 in consolidated mortgage bonds issued in sterling which rank equally with the $4,639,000 issue, which has been guaranteed by the Dominion Steel Co.

The terms of the offer, however, include the fact that the contract is not binding unless $3,480,000 of the principal amount of the guaranteed issue of bonds be deposited by the end of the current month.

See Offer As Fair

The market action of the bonds in jumping 25 points or more immediately following the offering indicates clearly that general investment opinion feels that the offer is satisfactory. It might, of course, be said that the group making the offer for the bonds will lose nothing by making the purchase at 96. This seems a fair assumption, yet bondholders who do not feel inclined to take advantage of the offer must remember that if they hold on to their bonds that what with litigation between Besco and the National Trust acting as trustee for the consolidated mortgage bonds, and what with the formation of reorganization plans, it may be a long time yet before the bondholders would receive a return on their investment. For the past year and a half, the Dominion Iron has been in the hands of the receiver and earnings have not been such as to warrant the payment of any arrears of interest on the issue. All in all, investment opinion is inclined to advise the bondholders to accept the offer which is regarded as a fair one.

National Trust Company, acting as receivers for the Dominion Iron, are asking the courts to liquidate the Dominion Steel as it has not been able to meet its guarantee of the $4,639,000 consolidated mortgage bonds of the Dominion Iron. These bonds are issued in dollars whereas the rest of the issue, amounting to $7,035,253, is in pounds sterling. The sterling issue does not carry the guarantee of the Dominion Steel.

Hayden, Stone Would Sell

It will be recalled that the Hayden, Stone interests, of New York, recently aligned themselves with the present management of the British Empire Steel Corp. against the National Trust in one of the more or less numerous snarls between the two chief antagonists in the Besco-Dominion Iron tangle. Hayden, Stone interests now suggest that holders accept the offer of National Bond & Share.

Up to the present, the chief difficulty of the British Empire Steel Corporation in its squabble with the National Trust Company has been the fact that Besco's subsidiary, the Dominion Steel, has been unable to meet the liability incurred by guaranteeing the Dominion Iron bonds.

Next month, probably, the action of the National Trust Company asking for the liquidation of the Dominion Steel Corporation in order to meet its liabilities on the Dominion Iron guaranteed bonds will come before the Privy Council. The Besco management does not want the liquidation of the Dominion Steel through which it owns the control of the Dominion Coal—a paying proposition at the present time. Incidentally, the Dominion Coal is the fundamental link in the chain of the British Empire Steel Corp. industries.

Up to the present the contingent liability of the Dominion Steel Corp. in the form of the guaranteed bonds has been held simply by bond holders who know nothing about the British Empire Steel Corp. All they want is the security of their principal, coupled with their annual interest.

What the outcome of the situation will be will not be known until the end of the month when an announcement will be made as to whether or not the required proportion of the bonds has been deposited. But judging from present indications, a large proportion of the issue will be deposited and change hands at the 96 figure.

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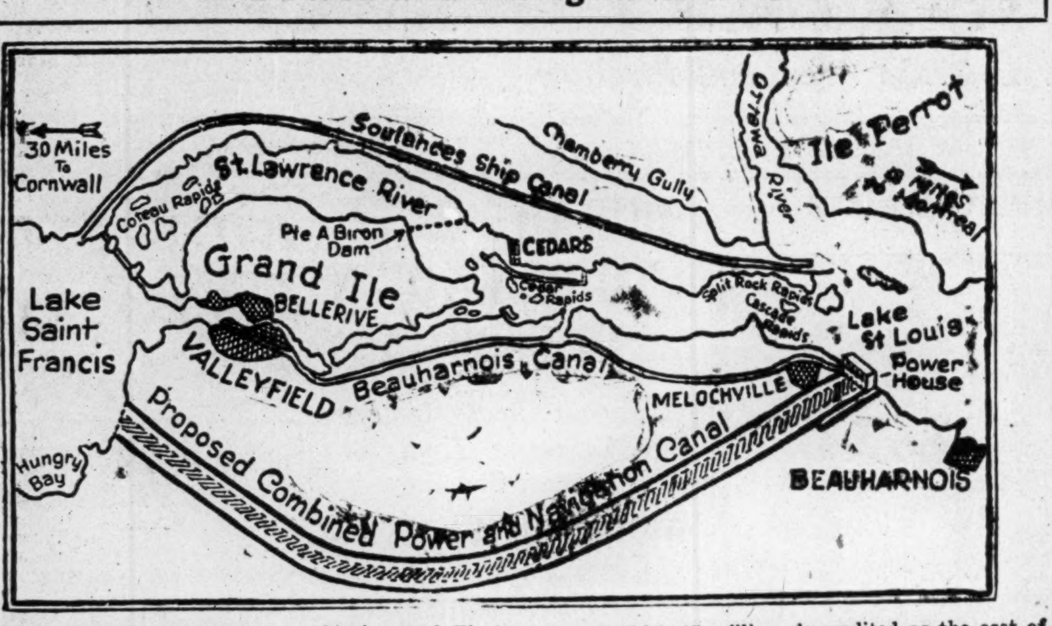

Following publication in last week's issue of The Financial Post, of a story in the proposed power and navigation canal on the St. Lawrence, the Toronto Star published this map indicating their artist's conception of the project.

A unique plan for combining a power canal with a deep ship canal has been devised by a powerful syndicate which proposes to provide a section of the St. Lawrence deep waterway without cost to the Dominion government in return for the power rights.

Instead of having an 80-foot wide ship canal on the north side of the river between Lakes St. Francis and St. Louis, and a narrow shipway on the south side, this syndicate proposes to dig a ditch 3,000 feet wide and 27 feet deep. In no way could a power canal developing hundreds of thousands of horsepower operate without developing a current that would be fatal to navigation. The largeness of the body of water thus artificially created, a lake more than half a mile wide and 13 miles long, keeps down the rapidity of the current.

The combined power and navigation waterway will begin at Hungry Bay, near Valleyfield, Quebec, on the south side of the St. Lawrence, and carry ships past the Coteau Rapids, the Cedar Rapids, the Split Rock Rapids and the Cascades. As the first-named have a drop of 15 feet, the Cedars 30 feet and the Split Rock and Cascades 24 feet, and there is an additional drop of 14 feet at other points, this means that at Melocheville, where the power house will be located, the water will be given a plunge of 83 feet. That is the difference between the levels of Lakes St. Francis and St. Louis.

At first the power house would be given an installed capacity of only 500,000 horsepower. The cost of the canal and electric equipment would be about 65 million dollars, of which 15 millions is credited as the cost of navigation works. The syndicate figures that it could get power in the first place at about 11½ dollars per horsepower and later on at 9 dollars.

In the syndicate are said to be wealthy and influential members of both political parties in Canada. They are reported to have backing in New York and elsewhere of financial interests quite able to swing the proposition. Premier Taschereau is reported to be favorable to the plan, thus modifying his former attitude of hostility to St. Lawrence improvement, and the administration at Ottawa is not regarded as likely to put difficulties in the way of construction. But it is likely to insist that this plan shall not go through without provision being made for getting ships down from Lake St. Louis to Montreal harbor. At present the way is barred by the 45-foot drop in the Lachine rapids. Whether the same power syndicate would undertake development at Lachine, and provide the side canal for shipping has not been made clear.

As the proposed works are entirely in Quebec territory, serious opposition is not counted on from Premier Ferguson. Indeed, it is regarded as significant that a highly placed engineer of the Ontario Hydro has vouched for the feasibility of the syndicate's plans.

The map shows the location of the projected great power and navigation waterway with the powerhouse at the east end. When only 500,000 h.p. is developed, two canals, paralleling one another, will be operated. But as more power is developed, the land in between will be dredged out. The ticked lines suggest the preliminary parallel canals. The location of the old Beauharnois canal and of the improved Soulanges ship canal, 14 feet deep, on the north side of the river, is indicated.

LINK FRANK JONES WITH GIANT PROJECT FOR ST. LAWRENCE

(Continued from page 1)

the deep waterways plan, for the canal by which the water will be brought from Lake St. Francis to Lake St. Louis for the power house will also be constructed to accommodate ocean-going navigation. Thus, it would be possible to carry out one of the chief sections of the deep waterways scheme, namely the stretch of the river between Cornwall and Lachine, without the employment of government funds and without the resulting burden on the taxpayer, particularly during the construction period.

R. O. Sweezey Is President

While The Financial Post learns that Mr. Jones is one of the chief figures behind the new hydro development company, and will head the administration of the company once it gets into production, yet no information along these lines is forthcoming from those directly associated with the undertaking. The information which The Financial Post has obtained, though, comes from sources whose authenticity cannot be doubted. In the meantime, R. O. Sweezey is the president of the company.

The Financial Post's articles last week, outlining the tremendous project of the Beauharnois Company, has awakened a Dominion-wide interest. Business men particularly in Ontario and Quebec realize that as the power from the new project has already been sold, the development will undoubtedly tend to increase business prosperity not only during the period of construction, but afterwards through the utilization of the tremendous amount of power involved, which will provide energy for large and growing industries.

Some Skeptics Have Say

There were, however, skeptics among those antagonistic to the scheme who pointed out that there were certain flaws in the story told by The Financial Post. It was said that there was no chance of the Government authorizing the Beauharnois Light, Heat and Power Company to proceed with the project. It is true that the Government as yet has not granted all the necessary rights to the company, but from all that can be learnt from authoritative sources, it is certain that the Government is anything but unsympathetic toward the project.

Following the publication of The Financial Post's article, it was immediately rumored, also, that Sir Clifford Sifton had an interest in the undertaking. But The Financial Post is informed that in no way, shape or form is Sir Clifford Sifton financially or otherwise interested in the activities of the Beauharnois Light, Heat and Power. There are, however, several other prominent Canadians of a character and standing comparable to that of Frank P. Jones interested in the project.

BOARD RECOMMENDS USERS OF POWER PAY FOR COST OF CANAL

(Continued from page 1)

saved himself and colleagues much distraction.

Report Items

Chief interest in this report will centre upon what the committee had to say in regard to:

1. Export of power.
2. Control of the Canadian sections.
3. Degree to which assistance of the United States ought to be accepted.
4. Whether the power owners should be compelled to pay for the building of the waterways.
5. Whether the recommendation of the Joint Engineering Board, in regard to the all-Canadian sections should be accepted.

These go right to the root of the Waterways question. Of course, it is quite clear that the committee advised the early construction of the system of canals, as being distinctly in the best interests of the Dominion. In regard to export of power, it seems that the chairman of the committee, Hon. W. E. Foster, of New Brunswick, was favorable, but the other members were solidly opposed and, according to reports, there is a strong recommendation in the report that no Canadian power be exported.

It is also believed here, that the committee was unanimous in advising that Canada should retain sovereign control over the two all-Canadian sections of the waterways and should not surrender any interest in the Welland Canal, which is entirely within the Dominion. The United States government had suggested, unofficially, that the Republic might pay to Canada one-half the cost of the new Welland canal by building more than its fair share of the international section of the St. Lawrence, and thus acquire a half interest therein. The Advisory Committee, however, appears to have been opposed to the Dominion surrendering any interest in canals now owned outright by Canada. From this it follows naturally, that the committee advised also that the interest of the United States in the Greater St. Lawrence be restricted to the international section of the river, immediately below Lake Ontario.

Power Users

The other two points, from the point of view of domestic politics, are the most important, and it is very difficult to discover exactly what the committee decided upon. There are good grounds for believing that the committee recommended that power users contribute to the cost of constructing the waterways. Some assert that the committee advised that the power users be compelled to pay all the canal costs, but this cannot be confirmed. On the other point, it is equally difficult to speak with authority, but there are many indications that the committee looked with favor upon the Sweezey-Griffiths application for a power development on the south shore, although it does not constitute an important factor in the waterways scheme.

As a result of all the publicity which has been given to the Waterways scheme in the last few weeks there is a notable disposition on the part of the public to conclude that the work may be commended in the immediate future. However, careful consideration of all that the scheme involves will dispel any hope of action, at least for a year or two. The present sanguinary feeling has been created largely by the support which the scheme has received from the National Committee. The report of the committee, of course, is a great stride forward, but there is still a long road to be traveled before actual construction can commence.

There is, however, one significant inference to be drawn from the fact that the committee has supported the scheme and it is that the government must also favor early development. The committee was the creation of the government, and it is incredible that a committee so created would flout its creators and embarrass a government composed, in most cases, of warm friends of the committee-members. On the broad policy of early action, therefore, it may be accepted as a fact that the government is prepared to move forward. Of course, the recommendations of the committee on the other points, while of much less importance, are also likely to have been taken after consultation of some kind with the cabinet and while the government has not yet evolved a clean-cut policy, it should not be a long nor a difficult task to do so.

Premier's Policy

It is easy, nevertheless, to appreciate Mr. King's point of view in holding back the report until he is armed back and forward with a policy to which every minister is manacled, particularly in regard to some of the lesser details, of great importance to power developers but not of outstanding importance to the nation.

The next step in the Waterways scheme will be the negotiation of a treaty with the United States. Construction of the international section of the waterways will have to be preceded by a treaty, and, of course, treaty negotiation is a long and laborious undertaking. Even when negotiated, this treaty will have to run the gauntlet of Parliament and Congress. The United States Senate is never in a hurry about treaties, and, at the very earliest, the St. Lawrence treaty could not receive ratification before 1929. Likewise, it would scarcely be possible for the Canadian Government to negotiate a treaty in time for submission to the next session of Parliament.

TORONTO GEN. EARNS ONE-FIFTH ON ITS CAPITAL

Shareholders Get Hint of Probable Stock Rights Soon

Shareholders of Toronto General Trusts will be asked at the annual meeting in February to approve an application for an increase in the capital stock of the company. This probably will mean valuable rights on existing stock. It is proposed to increase the authorized capital from $2,000,000 to $3,000,000.

Net profits for the year ended December 31, 1927, totaled $401,158, compared with $390,079 the year previous. Dividends of 12 per cent. required $240,000 and the amount provided for taxes was $48,000. A total of $20,785 expended in the year in additional safe-deposit vault and office equipment is written off and the balance carried forward is $228,831, including $138,459 carried forward from the previous year.

Total assets have grown $10,000,000 to $169,812,698. Capital account is up from $4,833,718 to $4,925,130, guaranteed trust accounts are from $14,273,780 to $15,158,673 and the estates, trusts and agencies accounts have grown from $140,273,780 to $149,729,164. There are few changes in the various items in the capital account, the loans on mortgages and otherwise standing about the same as for the previous year.

Year	Paid-up Capital	*Profits	Earned %	Dividend
1913	$1,500,000	$277,889	18.5	10
1914	1,500,000	308,126	20.0	10
1915	1,500,000	312,826	20.8	10
1916	1,500,000	270,883	18.0	10
1917	1,500,000	252,886	17.0	10
1918	1,500,000	266,369	18.0	10+1
1919	1,500,000	292,717	19.4	10+2
1920	1,726,960	287,646	19.1	11+1
1921	2,000,000	271,806	15.1	12
1922	2,000,000	183,969	9.1	12
1923	2,000,000	299,326	14.9	12
1924	2,000,000	273,690	13.6	12
1925	2,000,000	317,016	15.8	12
1926	2,000,000	342,079	17.1	12
1927	2,000,000	401,158	20.0	12

*After deducting taxes and amount written off.

MUTUAL LIFE'S 1927 BUSINESS UP $2,700,000

Assets Stand at $89,000,000—Business in Force $386,000,000

Although the annual meeting of the Mutual Life of Canada Company is not held until February, the company makes a practice of issuing as soon as possible the salient points covering progress during the year.

For 1927 the business written by the company amounted to $52,250,000 which is $2,684,000 in excess of the record for 1926. This brings the total assurance in force up to $386,669,000 as against $354,069,000 in the previous year.

Looking at the company's balance sheet, total assets stand at $89,233,000 as against $8,600,000 a year ago. These consist largely of government and municipal bonds and mortgage loans, with a small amount of other bonds and stocks as well. Surplus funds and special investment reserves have swelled to $11,829,000, which is an increase of $700,000 for the year.

During the year the company paid out in dividends to policy holders some $3,646,000, which exceeds last year's payment by $550,000.

The company reports the lowest expense ratio in its history which stands at 14.40 per cent., as against 15.1 per cent. a year ago. This ratio represents the percentage which expenses bear to income. The previous year's interest rate of 6.48 per cent. was almost maintained, the 1927 figure being 6.46 per cent.

INTER. LOAN MAKES SPLENDID PROGRESS

Company's Earning Power Has Increased During Last Two Years

Substantial progress was made during 1927 by International Loan Co., Ltd., according to the annual report now being sent to shareholders, of whom there are more than 1,800 in the three western provinces, says the Manitoba Free Press.

Total assets are shown at $849,145 compared with $759,536.77 in the previous year. First mortgage and clear title agreements are $814,551.49 compared with $709,536 a year ago. Subscribed capital is now $4,710,100 and paid up capital $709,625.24, which compares with $653,660.71 at the end of 1926. Reserve and undivided profits also shows a large increase in the statement now going out, having reached a total of $128,758.41 compared with $103,512.76 for last year. The paid up capital of the company has increased, Managing Director G. W. Argue points out, from $50,744 in 1914 to $709,625 at the close of 1927. In like manner, its surplus and undivided profits have increased from $10,881 to $128,758. Assets have increased over the same period from $65,215 to $849,145.

The earning power of the company has increased considerably during the last two years.

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Increase Expected in Price of Hides as Stocks Decline

Cattle Hide Supply Represents Only 2½ Months' Consumption

MANY MORE USES

Upward Movement of Prices for Boots and Shoes is Expected to Continue

Considerable interest attaches to the present leather market, not only among tanners themselves but in the allied industries which use leather either directly or indirectly in the process of manufacture. Since the middle of 1927 there has been a sharp upward movement in the price of hides and finished leather and from present indications further advances in prices may be expected.

As the United States is one of the principal sources of supplies of hides for Canadian tanners, the situation in that country has an important bearing on conditions in this country. On November 1 last, tanners' raw materials of all kinds across the line, showed a decrease as compared to the same date in 1926, as follows: cattle hides 9 per cent., calfskins 29 per cent., goat and kid skins 10 per cent. A slight increase of 2 per cent. took place in raw stocks of sheep and lamb skins.

Changed Position

At the present rate of operation of cattle hide tanners, the cattle hide supply represented only 2½ months' consumption on the date named. Particular attention is called to statistics which point to a changed position so far as finished leather stocks go. This leather is the shoe manufacturers' raw material. The products of heavy cattle hides are in a particularly strong position for stocks of leather of this kind in all hands on November 1, 1927, showed a decrease during the year of 32 per cent., calf and kid leather a decrease of 10 per cent., sheep and lamb leather of all kinds 2 per cent.

At the present rate of operation stocks of sole leather are equivalent to about two months' consumption. Processes of leather manufacture are slow compared to many other commodities and two months' stock represents an exceedingly low average. In the spring of 1922 stocks of sole leather were over four times the size of the present inventory of finished leather.

During the past year the course of prices of tanners' raw material has been steadily upward. On December 1, the price of cattle hides showed an advance above the low point of a year ago of approximately 65 per cent. At this figure they were less than 30 per cent. above the 1913 level.

The United States position reflects the international position, for there are but slight restrictions upon the movement of raw material in world markets. The prices of hides and skins in this progress show an economic reconstruction of markets following the dislocation of five years ago.

Commodity Prices

Leather prices do not yet fully represent these raw material advances. While commodity prices as a whole are 49 per cent. above the 1913 level, sole leather prices are only 30 per cent. above 1913.

Naturally, such a situation as is represented by the statistics cited above calls for considerable comment. The secretary of the International Council of Tanners, whose headquarters are in London, Dr. E. C. Snow, an economist of note, puts the case simply: "During the past few years the world has been consuming more leather than has been produced. In that period it has been drawing upon stocks which existed. These stocks are now exhausted and world requirements have to be met out of current world production."

One of the natural causes for the sharp advances in cattle hides is due to the fact that the cattle interests during the past few years have had an unhappy time, just the same as the tanner. Because cattle raising was unprofitable, herds have been depleted and it will take time to build them up. During the past year the cattle man has been somewhat encouraged by better prices for his product and naturally herds will increase. But during that period of increase beef cattle and hides will be in short supply from domestic sources. The tanner must look to foreign sources of supply for hides to run his tannery.

Delicate Balance

High levels of values for hides and skins may be looked for, for sometime to come. The delicate balance which exists between the supply of hides and skins in the world, and world demands for leather of all types, is no longer disturbed by the presence of accumulated stocks. The natural result has been the forcing up of world prices for such raw material.

There are many factors which enter into any discussion of the economics of the leather industry. Russia as a consumer of world hides and skins and not a producer, is one. She shows an increasing tendency to operate as a buyer in world's raw material markets, which has been accented during the past three months. Germany must also be reckoned with and her increasing industrial efficiency. The agitation for tariff changes which is sweeping over Central Europe, the constant restrictions which are put upon the free movement of raw material in that part of the world, are all matters which are giving the leather industry considerable concern and may have a direct bearing upon the price of footwear.

Prophesying for 1928 is hazardous. It is fair, however, to assume that if shoe production is maintained at anywhere near its present rate, with production and consumption of the raw material which enters the shoe so closely in balance, the upward movement of prices, both in raw material and finished products, which had its beginning in the spring of 1927, may continue.

There is another factor which may contribute to this result, namely, the diversification of leather into various uses which it is the aim of every tanner to accomplish: Developing his product and meeting not only the need for utility, but for beauty and style is opening new markets. Garment leathers, of all types and upholstery leather for automobiles are competing successfully with textiles.

Long Hold Advised for Inter. Pete.

From Our Own Correspondent

MONTREAL.– Despite the recent appreciation in the shares of International Petroleum, the firm of Flood, Potter & Co. again advise their clients in a circular that as a long hold, International Petroleum will reward patient holders. Regarding the results achieved by the company in the year just concluded, the circular says:

"From sources believed to be good, although we cannot vouch for them, we are given to understand that earnings in 1926 amounted to $23,000,000, of which $17,000,000 went to surplus. From the same source we hear that sales last year averaged 25,000 barrels a day more than in the previous year, and that earnings were in the neighborhood of $5 a share."

DOMINION GLASS IS FORGING AHEAD WITH BIG ORDERS

Net and Gross Earnings Exceed Corresponding Period Last Year

From Our Own Correspondent

MONTREAL. — For the first quarter of its current fiscal year ending December 30 last, it is understood that the Dominion Glass Company's earnings, both gross and net, are well ahead of the corresponding period of one year ago. Part of the betterment in the earning power, it is said, is the result of some new heavy orders which the company received.

In its fiscal year ending September 30 last, the Dominion Glass Company made headway and showed earnings of over $9 a share on the common and also increased the tangible equities behind the common by better than $9 a share. It is believed that the present year will bring about a further betterment in the balance sheet position, one of the reasons being that Dominion Glass is participating generously in the growth of the brewing and distilling business in Canada. It manufactures a large portion of the bottles used in this country.

A few months ago there were rumors that the company was to be purchased by the Owens Bottle Company of the U. S.—the largest organization of its kind in the world. These rumors forced the price of the shares up as high as $144. It is certain that negotiations between the two companies made some progress, but as far as can be judged the Canadian interests could not agree with the U. S. bidders regarding the value of the property. Hence, the stock declined to around its present level of 130.

Hope springs eternal in the human breast and as soon as new interests entered the Canada Cement picture, it was immediately said that Dominion Glass and Consumers Glass would amalgamate. The Consumers Glass is a subsidiary of Canada Cement. But these rumors—at any rate to date—appear to be without foundation. The Consumers Glass is the keenest competitor of Dominion Glass.

What has long been one of the unsatisfactory points about the company is well recognized, namely, its patent rights and goodwill account of over $3,000,000. Offsetting this, though, the past three years have witnessed a steady and material increase in the earnings; in addition, Dominion Glass always keeps itself in a remarkably strong liquid position.

C. & E. LAND CO. STOCK ATTRACTS MORE ATTENTION

Vancouver Bond House Likes Stock Because of Oil Development

R. P. Clark & Co. (Vancouver), Ltd., in a recent market letter, referred hopefully to the prospects of the Calgary & Edmonton Land Co. "Now that aggressive development is being carried on by strong interests in various parts of the company's property," reads the letter, "we feel that the prospects for the coming season are exceedingly bright."

"When you consider that oil developments in almost any part of Alberta will redound strongly in this company's favor," continues the comment, "we cannot but believe that it is the most attractive oil speculation on the Canadian market to-day." This investment house is offering a limited number of shares at $12 the share. The capital of the company consists of 245,510 shares of 6d each, as at the latest annual balance sheet available, for the year ended December 31, 1926.

Remote From Railroad

Osler, Hammond & Nanton, Winnipeg, managers of the property, reported at the close of 1926 that prospects were gradually improving, but that, as most of the farm land held by the company now was situated some distance from the railroad, it might be some years before these lands are taken up." This apparently was written while the managers were cognizant of the oil development, for this also is referred to. The managers, it was said, "look for a large development of the oil lands in Alberta during 1927," but they were not fully satisfied that this field had been definitely proved "and it will be a year or so before results can confirm any positive conclusion."

Exports of raw wool from Canada in the eleven months ended November 1927, totalled 11,178,369 lbs., worth $3,072,534, as against 4,790,948 lbs., worth $1,510,482 in the previous corresponding period.

Joining together under the title of the Canadian Co-operative Poultry Producers, Limited, the Manitoba and Saskatchewan Poultry Pools have become one as a result of conferences held between both organizations here.

WINNIPEG ELECTRIC IMPROVES POSITION IN EVERY QUARTER

More Power and Gas Generated and More Passengers Carried

From Our Own Correspondent

MONTREAL.—During the year just ended, the Winnipeg Electric Company generated 10 per cent. more power, carried 3.6 per cent. more passengers and sold 2.4 per cent. more gas than in 1926. The foregoing figures are included in the circular letter to the shareholders accompanying the January dividend cheque.

The foregoing figures do not tell the whole story of the betterment experienced in the areas served by the Winnipeg Electric Company for it controls over 60 per cent. of the common shares of the Manitoba Power Company which increased its electrical output by 126 per cent. as compared with 1926. This subsidiary has placed contracts for the installation of the fifth and sixth units at its Great Falls plant which will bring the property up to its ultimate capacity. During the year just concluded, the Manitoba Power Company installed its fourth unit.

In the letter to the shareholders, A. W. McLimont, the president of the Winnipeg Electric Company, said that the future looks bright for the company and everything points to the prospect that 1928 will be a more successful year than the one just concluded. Three factors combine to make such a forecast possible. First, satisfactory crops of the past season will naturally have a beneficial effect on Winnipeg, the centre of the grain trade; second, more capital is being steadily and permanently invested in the city and the tourist industry is growing larger year by year; and third, the remarkable development in the metallic mining industry which is taking place in Manitoba this year.

CAPITAL TRUST EARNINGS GROW TO 7 PER CENT.

Deposits, Also Estates Under Administration, Are Increased

Capital Trust Co., of Ottawa, has concluded another successful year, showing earnings of approximately 7.7 per cent. on a capitalization of $627,716, compared with 6.4 per cent. on $614,921 of paid-up capital the previous year.

The net profit for the year after cost of management, provision for taxes, etc., was $48,667, compared with $39,051 the year previously. Savings deposited with the company have increased from $2,708,000 to $3,388,000. Quick liquid assets, comprising government bonds and cash, are equal to 48 per cent. of the total savings payable on demand, or $732,000. The number and value of estates under administration have grown in the year from $4,908,000 to $6,656,000.

The dividend is increased 5 per cent. per year, payable March 1st.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1918	$404,065	$19,354	4.8	4
1919	488,241	26,375	5.4	4
1920	546,063	27,256	5.6	4
1921	564,404	20,209	3.8	4
1922	580,578	41,344	7.1	.
1923	590,896	42,001	7.1	.
1924	596,569	42,528	7.3	4
1925	603,648	37,284	6.3	4
1926	614,921	39,051	6.4	4
1927	627,716	48,667	7.7	5

English mining interests which have holdings in all parts of the Empire except in Canada—The Sol Joel group—are prepared to invest $1,500,000 in development in Northern Ontario and Quebec, said Theodore Meyer, of London, England, on his way north to the Rouyn mining area.

A thousand acres in tobacco is the objective of the Vernon section of the British Columbia Tobacco Growers.

Following is recapitulation of the annual statements of the Winnipeg Hydro-Electric System as it appeared recently in the Manitoba Free Press:

Year Ending April 30	Total Assets	Total Reserve	Gross Earnings	Total Expense	Surplus for Yr.	No. of Customers	Units Gen'ted	Peak Load in H.P.
1913	$6,623,663	$ 20,436	$ 545,644	$ 629,077	$83,432	22,015	38,704,220	14,080
1914	7,847,501	360,901	867,621	785,723	81,897	29,732	60,337,635	19,550
1915	8,181,372	640,213	976,347	897,662	78,684	32,953	70,654,360	23,030
1916	8,630,710	928,914	995,511	915,781	79,729	34,345	75,634,750	26,130
1917	9,070,627	1,273,714	1,020,480	935,905	84,574	35,392	82,278,970	27,800
1918	9,535,173	1,615,618	1,056,281	1,001,541	54,740	36,343	85,336,830	28,800
1919	10,243,773	1,996,604	1,097,196	1,044,315	52,881	37,809	88,947,190	31,133
1920	11,763,354	2,406,145	1,279,469	1,099,189	180,279	39,877	99,524,550	35,000
Year Ending Dec. 31								
1921	15,397,571	3,458,407	1,572,150	1,599,427	*27,277	44,953	125,124,855	46,000
1922	16,657,895	3,743,896	1,659,725	1,645,116	14,609	48,501	144,509,429	51,000
1923	17,681,828	4,217,621	1,741,963	1,609,761	126,834	51,293	164,609,860	53,500
1924	19,878,993	4,688,630	1,863,175	1,754,854	110,084	57,265	200,520,080	64,000
1925	21,411,922	5,003,638	2,037,710	1,999,584	44,059	62,508	261,996,380	80,000
1926	23,301,029	5,945,107	2,456,978	2,321,142	135,836	65,674	324,994,510	95,000
1927 (app.)	25,795,783	6,625,755	2,685,000	....	250,000	70,000	358,000,000	102,000

*Deficit.

Salmon Pack for B.C. is Under 1926 Output

From Our Own Correspondent

VANCOUVER.—British Columbia's salmon pack in 1927 amounted to 1,360,634 cases or about 34 per cent. under the record-breaking output of 1926.

The total pack of the industry in 1926 was 2,065,190 cases. The difference between that and last year's pack is 704,556 cases.

The drop was caused chiefly by a sharp decline in pinks, only 247,626 cases of that class of salmon being packed as against 773,012 cases in 1926.

Chums also fell considerably under the level of the previous year, the production this year being 562,682 cases compared with 702,237 cases in 1926.

Although at first the sockeye season had seemed to be a dismal failure, it picked up toward the close with the result that in 1927 the pack was 309,322 cases, comparing not unfavorably with 337,012 cases in 1926.

Apple shipments from Halifax this season, to date, amounted to 352,812 barrels, as compared with 338,296 barrels for the similar period of last year.

Price Movements

A KNOWLEDGE of price movements will enable you to buy and sell intelligently.

OUR Monthly Commercial Letter indicates current price movements and comments upon general business conditions. It will be sent free to you on request. 39

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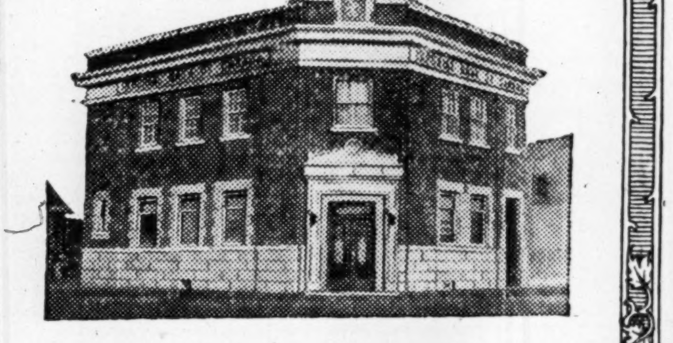
N. L. McLEOD *General Manager.*



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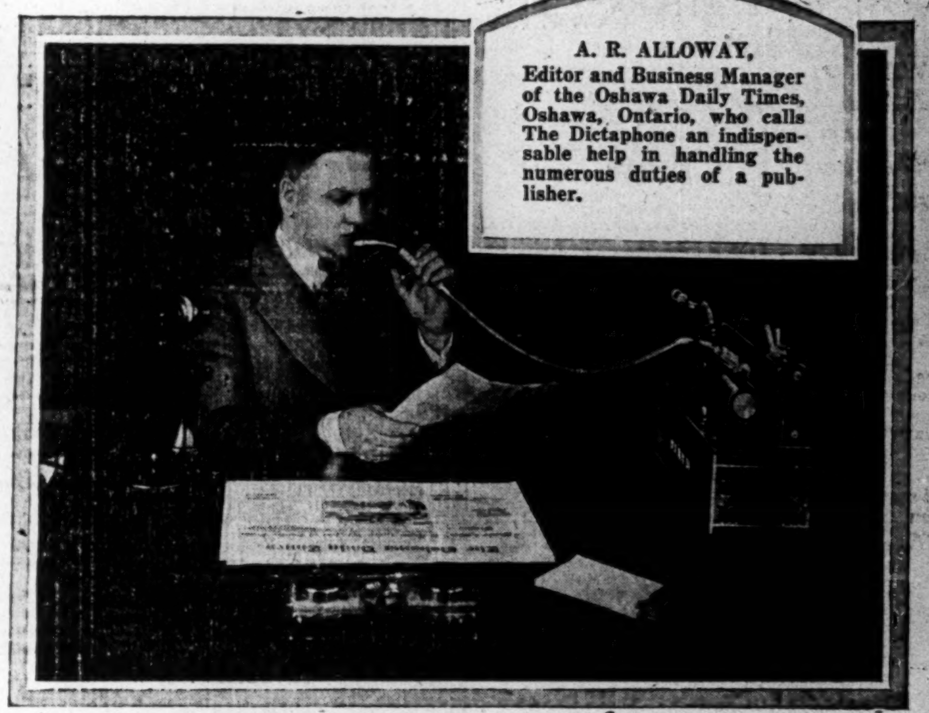

A. R. ALLOWAY,
Editor and Business Manager of the Oshawa Daily Times, Oshawa, Ontario, who calls The Dictaphone an indispensable help in handling the numerous duties of a publisher.

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—So writes A. R. Alloway, Editor and Business Manager of The Oshawa Daily Times, Oshawa, Ontario, a man who must have plenty of opportunity to observe the facts first-hand. He continues:

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Canada Imported $200,000,000 New Capital in 1927

This Brought Foreign Investments in This Country to $5,377,000,000 as at January 1, 1928, Revised Estimate Shows

By KENNETH W. TAYLOR, Lecturer in Economics, MacMaster University.
A Chapter from The Financial Post Yearbook of Canadian Business, shortly to be published.

Statistics of foreign investments in Canada during the year just closed cannot yet be compiled with any completeness, but the following tentative estimates are available.

Of new issues of Canadian bonds and preference stocks, approximately $290,000,000 were sold in the United States, and $13,000,000 in the United Kingdom. About one-third of this amount was for refunding purposes, so that the new money from these new issues of securities would be about $190,000,000 from the United States and $12,000,000 from the United Kingdom. About one-half of these new issues were for power or pulp and paper developments.

Many Quiet Investments

In addition to funds flowing in through purchases of publicly offered security issues, there has been a good deal of foreign investment taking the form of direct purchases of properties, and the purchase of outstanding securities through ordinary stock exchange transactions. Several small power companies have been purchased outright by American interests. Some substantial additions to Canadian plants have been made with funds supplied by parent or controlling companies in the United States, and a few new "branch" plants have been established or acquired. Purchases of already outstanding securities by American investors have been large, particularly of Canadian bank shares, and other well-established stocks whose yield has been considerably higher than that obtainable on equally secure investment in the United States.

British funds have been flowing in in a similar way. Considerable sums are being invested in the rayon industry, as well as in the milling, mining, and other industries; and some recent negotiations foreshadow large investments in the match and paper industries.

Capital From Other Countries

Other countries, too, have been placing funds in the Canadian field during the past year. A survey of the financial journals for the year show records of Swedish, Italian, and Dutch investments, and also reports of fairly substantial investments on the Pacific coast with money said to come from certain Chinese war-lords whose activities on the field or in diplomacy have been exceptionally profitable, and who are building up a secure reserve for future emergencies.

The total of these investments other than through participation in publicly offered new issues, may be estimated roughly at about $50,000,000, of which perhaps $40,000,000 is American, $5,000,000 British, and $5,000,000 from other countries. This would place the total of new investments during 1927 at United Kingdom, $17,000,000; United States, $230,000,000; other countries, $5,000,000, or a total of $252,000,000.

Repurchase of Securities

On the other hand, there are numerous instances of repurchases of Canadian securities formerly held abroad. Examples of this sort are the heavy Canadian buying of International Nickel, of Imperial Tobacco, of Noranda, and others. More significant still are the several instances of repurchase of control by Canadian syndicates of businesses previously controlled abroad, such as Provincial Paper, Northern Baweries, Christie Brown, and Canadian Vickers. The total of these items is very substantial, and may be estimated at close to $50,000,000; say, $3,000,000 from Great Britain, and $45,000,000 from the United States.

Preliminary Estimate for 1927

Subtracting these figures from the total reached above, we get the following preliminary estimate of the net new investments during 1927:

From the United Kingdom	$ 14,000,000
From the United States	185,000,000
From other countries	5,000,000
Total	$204,000,000

After making some allowance for redemptions in cash of maturing bonds, losses through failures, etc., we may make the following preliminary estimate of the total outside capital in Canada as of January 1, 1928:

United Kingdom	$2,110,000,000
United States	3,031,000,000
Other countries	236,000,000
Total	$5,377,000,000

The interest and dividend payments on this outside capital invested in Canada have been estimated at $254,000,000 during 1926, divided as follows: United Kingdom, $105,000,000; United States, $137,000,000; other countries, $12,000,000.

Next week, we shall present an estimate of the amount of foreign capital invested abroad.

Investors Benefit by New Companies

Many New Concerns Coming on Market During Last Eighteen Months Have Proved Profitable to Speculators

New companies coming on the market in the last year or eighteen months (including new offerings of older companies) generally have been profitable for investors. Many bonus common stocks now have great value, it is revealed by reference to The Financial Post Record of Prospectuses, Volume I, II and III.

Subjoined is a list of a number of these stocks—most of them active—which have been selected at random. In most instances, it will be observed, the market value has grown remarkably.

Food stocks have done very well. General industrials are profitable. One oil probably forms a record of advance (Supertest Petroleum), but another, Foothills Oil, shows a slight decline. McColl Bros. has been substantially profitable.

Of the newer beverage stocks, Hiram Walker has done best. Two of the more active and larger breweries have done well, but the smaller breweries show no advance. A non-intoxicating beverage stock, Charles Gurd, has been highly profitable.

An investment trust common stock has moved ahead conservatively, as is beseeming for a conservative stock. Perhaps the most unlucky of the common stocks has been Kelvinator of Canada. It was a bonus with the preferred and is selling at 6¼, but the preferred with which it was issued is away below par, although dividends still are being paid regularly.

Hayes Wheel.—Issued as bonus with preferred, April, 1927; three shares of common with ten of preferred at $100 and accrued dividend. Recent price of common, 28½.

Canadian Bronze.—Common offered at $40 the share in May, 1927; recent price of common, 72.

Supertest Petroleum. — Issued as bonus with preferred, June, 1927; four shares of common with ten of preferred at par and accrued dividend. Recent price of common, 97.

Northern Bakeries.—Offered at $27 the share in June, 1927. Recent price, 46.

Hunt's, Ltd.—Common issued as bonus with preferred; one-half share of common with each share of preferred sold at 100 and accrued dividend, March, 1927. Recent price of common, 45.

Stanford's, Ltd.—Common issued as bonus with preferred, April, 1927; four shares of common with ten of preferred at 100 and accrued dividend. Recent price of common, 25.

Charles Gurd.—Common offered at $28, June, 1927. Recent price, 95.

Hiram Walker's, Ltd.—Stock offered at $25 the share, January, 1927. Recent price, 66.

Canadian Brewing Corp.—Stock issued at $30 the share in January, 1927. Recent price, 36¾.

Toronto Brewing & Malting.—Stock issued at $12 the share, January, 1927. Recent price, 9½.

Carling Breweries.—Stock issued at $27 the share in June, 1927. Recent price, 39.

Lake Ontario Brewing.—Stock issued at $25 the share in February, 1927. Recent price, 25.

Economic Investment Trust.—Issued at 52½ in February, 1927. Recent price 58.

Foothills Oil & Gas.—Issued at $2.5 the share in May, 1927. Recent price $2.40.

Cosmos Imperial Mills.—Common issued as bonus with preferred in August, 1926. One-half share of common with each share of preferred issued at par, $100. Recent price of common, 2

McColl Bros.—Issued with preferred in August, 1926. Common sold at $1 Preferred redeemed, 1927. Company sold at $65 the share for the common stock in December, 1927.

J. S. Mitchell & Co.—Common issued as bonus with preferred in August, 1926; four shares of common with ten of preferred. Recent price of common, 39.

Hamilton Dairies.—Common sold at $18 with preferred in October, 1926. Recent price of common, 50.

International Power.—Common issued as bonus with preferred at 98½ in March, 1926; one share of common with each share of preferred. Recent price of common, 43.

Alberta-Pacific Grain Co.—One share of common given as bonus with each share of preferred at 100, in May, 1926. Recent price of common, 57.

Muirhead's Cafeterias, Ltd.—One share of common given as bonus with each $100 of preferred, in May, 1926. Recent price of common, 14½.

Kelvinator of Canada.—Issued as bonus of one share with each share of preferred at $100, in July, 1926. Recent price of common, 6¼.

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Prosperity is Shown by Canadian Banks

According to Roy W. Arnold, president of Canadian Bankstocks, Inc., Canadian banks that have reported for 1927 reflect in a marked degree the prosperity which Canada has enjoyed the past year. Based on a nominal increase of the three banks that have not as yet reported, Canadian Bankstocks, Inc., is showing earnings of approximately $2 per certificate, he said. The following is a summary of the percentage increases in deposits and assets, and the net per share of six banks that have issued their yearly reports:

Bank	Deposits	Assets	Net per share 1927 increases over 1926
Royal Bank	18%	17%	$1.60
Bank of Toronto	15%	12%	1.15
Imperial Bank	12%	5%	1.92
Can. Bk. of Comm.	8%	9%	.40
Bank of Montreal	9%	7%	1.00
Can. Nationale	8%	7%	.84
Average	12%	10%	1.15

Dividends Declared

	Rate	Date	Record
Christie Brown, com.	30c	Feb. 1	Jan. 15
Do. pref.	1¾%	Feb. 1	Jan. 20
Steel of Can., com.	1¾%	Feb. 1	Jan. 7
Do. pfd.	1¾%	Feb. 1	Jan. 7
Teck Hughes	10+5	Feb. 1	Jan. 17
Mining Corp.	12c	Jan. 25	Jan. 10
East. Theatres, pfd.	3½%	Jan. 31	Dec. 31
Russell Motor, com.	4%	Feb. 1	Dec. 31
Do. pref.	1¾%	Feb. 1	Dec. 31
Montreal, L. H.	50c.	Jan. 31	Dec. 31
So Canada Power, c.	$1	Feb. 15	Jan. 31
Nor. Ont. Light, pref.	3%	Jan. 25	Dec. 31
Imperial Bank	3%	Feb. 1	Jan. 16
Penmans, com.	$1	Feb. 15	Feb. 6
Do. pref.	1½%	Feb. 1	Jan. 31
Standard Bank	3%	Feb. 1	Jan. 16
Belding Cort., c.	3%	Feb. 1	Jan. 14
Inter. Paper, c.	60c.	Feb. 15	Feb. 1
Brazilian Tr.	1¾%	Mar. 1	Jan. 31
Stanfords, 1 & 2 pfd.	1¾%	Feb. 1	Jan. 16
Hollinger	2%	Jan. 28	Jan. 11
Can. Bronze, pfd.	$1.75	Feb. 1	Jan. 20
Zimmerknit, pfd.	1¾%	Feb. 1	Jan. 25
Gen. Steel Wares, pfd.	1¾%	Feb. 1	Jan. 15
Amer. Salesbook, pf.	1¾%	Feb. 1	Jan. 31
Wright-Har.	5c.	Feb. 1	Jan. 17
Int. Nickel, pfd.	1½%	Feb. 1	Jan. 19
East. Theat., c.	50c.	Mar. 1	Jan. 31
Para. Osh. Theat., pf.	1¾%	Feb. 15	Jan. 31
Massey-Harris, pfd.	1¾%	Feb. 1	Jan. 31
Bank of Toronto	3%	Mar. 1	Feb. 15
Royal Bank	3%	Mar. 1	Jan. 31
Dom. Engineering	65c.	Apr. 14	Mar. 31
Dom. Bridge	65c.	Feb. 15	Jan. 31
Capital Trust	5%	Mar. 1	Dec. 31

An increase of 8,201 in the number of automobile licenses issued by the Provincial Government in the year 1927, is announced in the Provincial Secretary's report for Alberta.

First Financing Starts of Donnacona Paper

$4,000,000 Debenture Issue is Offered by Royal Securities to Yield About 6.05 Per Cent. — $7,000,000 Bond Issue to be Offered Later

From Our Own Correspondent

MONTREAL.—Following the acquisition of the Donnacona Paper Company by Price Brothers & Company and associated interests, the first financing of the deal makes its appearance in the form of a $4,000,000 debenture issue being offered by the Royal Securities Corporation to yield about 6.05 per cent. The issue carries with it stock purchase warrants which entitle the holder to buy stock up to 1934. A $7,000,000 bond issue, it is understood, will later be offered publicly.

The particulars of the issue follow:

$4,000,000 Donnacona Paper Co., Ltd. 6 per cent., twenty- year, debentures, series A.

Capitalization—

	To be Authorized	To be Outstanding
First mtge. bonds, due 1948	$12,000,000	*$7,000,000
Twenty-year debentures, due 1948	6,000.000	†4,000,000
Com. shs. (n.p.v.)	200,000 s.	150,000 s.

* of series "A," 5½ per cent.
† of series "A," 6 per cent.

Stock Warrants—The holder of each $1,000 debenture is entitled to purchase two shares of common stock at $40 per share up to Feb. 1, 1930; at $45 per share up to Feb. 1, 1932, and at $50 up to Feb. 31, 1934.

Properties—Complete self contained 230 ton daily production newsprint mill situated 30 miles west of the city of Quebec. The company's limits contain 5,400,000 cords of pulpwood. The company has developed 6,200 hydro electric horsepower and 4,800 hydraulic horsepower. Undeveloped water powers have an estimated capacity of 35,000 horsepower.

Value of Assets—Appraised value of the property after deducting amount of first mortgage bonds is equivalent to $2,156 for every $1,000 debenture.

Earnings—Averaged over the past three years more than 2.9 times the annual debenture interest without making allowance for depreciation.

Ownership—Controlling interest in the company's shares, by a substantial cash payment, is held by Price Bros. and Company and associated interests.

Offered—January 28 by Royal Securities Corporation at 99½ to yield 6.05 per cent.

Imperial Tobacco Shares Are Especially Active

From Our Own Correspondent

MONTREAL.—Since the announcement by The Financial Post that the budget would contain very substantial reductions in the excise tax on cigarettes, the common shares of the Imperial Tobacco Company have been especially active on the Montreal Curb. The shares have risen from about 9½ to 10¾. Much further appreciation at the moment can hardly be anticipated as it is said there are large blocks of stocks overhanging the market waiting to be sold at any higher figures.

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THE ONTARIO LOAN AND DEBENTURE CO.
LONDON 58 years in business CANADA
Capital, paid-up, $1,750,000 Reserve Fund, $2,725,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages including building loans. Applications invited.
A. M. SMART, *President* T. H. MAIN, *Manager*

Furs valued at approximately 000 were offered for sale at the Winnipeg fur auctions.

According to MacLean Building Reports, Limited, construction in Manitoba in 1927 was nearly 11,000,000 in excess of that of the previous year being $29,939,900, compared with $1 186,000.

High Class Investment Securities
DICKSON, JOLLIFFE & Company
302 Bay Street - TORONTO
Phones Elgin 2711 and Elgin 4480

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
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302 BAY STREET ELGIN 2278
The Partners Personally Advise as to Investments

Holt. Renfrew & Company Limited
Just Arrived!
Men's Blue OVERCOATS
Representing Values of $55 to $60
$44.00
If you wish you may buy on our Budget Buying Plan.
Yonge at Adelaide
TORONTO

New Issue

As this issue has been over subscribed this advertisement appears as a matter of record only.

$2,000,000
Reliance Grain Company, Limited
6% First Mortgage and Collateral Trust Sinking Fund
Twenty-year Gold Bonds
Series "A"

Dated January 2nd, 1928 Due January 2nd, 1948

Principal and semi-annual interest (January 2nd and July 2nd) payable at the holder's option in gold coin of the Dominion of Canada, of or equal to the present standard of weight and fineness, at the principal office of the Bank of Nova Scotia in Montreal, Toronto, Winnipeg, Vancouver and Halifax in Canada, or in United States gold coin, of or equal to the present standard of weight and fineness, at the Agents of the said Bank in New York City, U.S.A. Redeemable as a whole or in part on any interest date upon thirty days' notice at 105% and accrued interest. Coupon bonds in denominations of $1,000, $500, and $100, with privilege of registration as to principal only.

Trustee: MONTREAL TRUST COMPANY

CAPITALIZATION

	Authorized	To be Issued
6% First Mortgage and Collateral Trust Bonds (this issue)	$5,000,000	$2,000,000 Series "A"
6½% Cumulative Preferred Stock	3,000,000	2,000,000
Common Stock of no par value	100,000 Shs.	100,000 Shs.

BUSINESS: RELIANCE GRAIN COMPANY, LIMITED, has been incorporated under the laws of the Dominion of Canada to acquire the assets and undertakings of Reliance Terminal Elevator Company, Limited, and Smith Murphy Company, Limited, and all the outstanding shares of Province Elevator Company, Limited. These companies are engaged in the business of storing, shipping, exporting and dealing in grains. They are equipped to cover the entire service of handling grain from farm to seaboard. They have been closely associated and have been operated under the same general management for several years.

PROPERTIES: Reliance Terminal Elevator Company, Limited, owns and operates a thoroughly modern, reinforced concrete terminal elevator at Port Arthur, Ontario, fully equipped with modern cleaning, drying and handling machinery, which, with additions now under way, will have a total storage capacity of over 4,000,000 bushels. Smith Murphy Company, Limited, has carried on a general grain commission, shipping and export business, controlling Smith Murphy Company, Inc., of New York, and having through this company an extensive connection with the principal importers of grain in the United Kingdom and Europe. Province Elevator Company, Limited, owns and operates one hundred and twenty-eight line or country elevators situated in the Provinces of Manitoba, Saskatchewan and Alberta. In addition, the Company operates and controls over fifty line elevators. The storage capacity of the line elevators is 5,100,000 bushels which, together with the terminal elevator, provide storage facilities for more than 9,000,000 bushels. The properties owned by the consolidated companies, based upon recent appraisals, have a commercial value in excess of $2,900,000. The net current assets amount to $1,446,296, making a total net tangible assets of over $4,346,000.

EARNINGS: Messrs. Price, Waterhouse & Company have certified the annual net earnings of the consolidated companies, after deducting maintenance, depreciation and income taxes, for the last three fiscal years ending July 31st, as follows:—

1925	1926	1927
$368,593.59	$678,951.44	$681,223.97

or an average of $576,256 per annum, being at the rate of 4.8 times Bond interest requirements.

FURTHER ISSUES OF BONDS: Further Bonds of Series "A" or other series may be issued from time to time, but only to the extent of 66⅔% of the cost or fair value, whichever is less, of additions or extensions to the properties of the Company as more fully described in the Deed of Trust, and then only when net profits for any twelve of the preceding fourteen calendar months have been at least twice the annual interest on all bonds outstanding of Series "A" or other series, and in all cases including as outstanding bonds those proposed to be issued.

SINKING FUND: The Deed of Trust securing the First Mortgage and Collateral Trust Series "A" 20-year Bonds will provide for an annual Sinking Fund commencing in 1930, of an amount equal to 2% of all the bonds of that issue at any one time outstanding, together with an amount equivalent to the annual interest on all bonds previously redeemed. This Fund will be applied exclusively to the purchase in the open market of Bonds of that issue at or below the redemption price; failing such purchase bonds may be called by lot at the redemption price of 105 and accrued interest.

MANAGEMENT: The management of RELIANCE GRAIN COMPANY, LIMITED, will be in the hands of those who have been responsible for the organization and development of the associated companies, thus securing and maintaining a continuation of those policies which have contributed largely to the success of the individual companies. A very substantial portion of the Preferred Stock issue and the control of the Company are owned by those in charge of its operations.

GENERAL: The storing, cleaning and shipping of grain is a vital service in the marketing of Western Canada's grain crop and the properties which the Company is acquiring are well situated and well maintained with earnings showing a steady and sustained growth over a long period of years.

We offer these Bonds if, as and when issued and received by us and subject to the approval of Counsel of all proceedings, at the price of

$100 and accrued interest, to yield 6%

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton London, Ont.
Winnipeg Saskatoon Vancouver

The statements in this circular are not guaranteed, but are based on information which we believe to be reliable and on which we acted in purchasing these securities.

News of Investment Markets

Government
Municipal
and
Corporation
Bonds

Real Estate
Financing

RENE-T.LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E231

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
METROPOLITAN BLDG.
ELGIN 8429-8420 TORONTO

Established 1889
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., Toronto

INVESTMENT
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HIGH-GRADE
PREFERRED STOCKS
Williams, Partridge & Rapley, Limited
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F. H. BLAKELY & CO.
Sound Industries at Outlying Points
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RAILROAD SECURITIES
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"A Service in Itself"
WARNER & COMPANY
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MONTREAL TEL. MAin 3635

Housser Wood & Co
LIMITED
Orders Executed on the Toronto Stock Exchange
R. F. DAVIDSON,
Members Toronto Stock Exchange
El. 7193-4-5-6
Royal Bank Bldg Toronto

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COUPON

United Bond Company, Ltd.,
Dept. 18,
302 Bay St., Toronto, or
Security Building, Windsor.

Without placing me under any obligation whatever, send me copy of your booklet, "Through the Doorway of Honesty."

Name ....

Address ....

....

NOT MUCH CHANGE IN BOND MARKET DURING WEEK

Interest is Keen in Temiskaming and Northern Ontario Debentures

FEW NEW BONDS

Trend of Yield on Canadian Investment Securities Continues to Decline Sharply

There was no appreciable change in the bond market during the week, with one or two exceptions, bids continuing strong with offerings being taken up readily.

Interest in the $6,000,000, 4 per cent. debentures of the Temiskaming and Northern Ontario Railway Commission guaranteed by the Province of Ontario, is keen. The award will not be made until Tuesday next week, but it is generally agreed that the price to be secured by the Commission will establish a low mark for this class of security.

A few small municipal issues were sold during the week, that of Hull fetching an excellent price. There is still a scarcity of new bonds, however, and the new T. and N. O. issue is expected to be taken up readily. Dealers' lists are lean.

Common Securities

The trend of yields on Canadian investment securities continues to decline sharply. Dominion of Canada long term discount bonds which in January last were selling to yield 4.75 per cent., now give a return of only 4.28 per cent. Canadian National Railway 4½ per cent. bonds of 1954, which a year ago gave a return of 4.75 per cent. are now selling at a slight premium and yield approximately 4.40 per cent. Bonds of the Province of Ontario, probably better than any other Canadian security, indicate clearly the price appreciation and yield depreciation which has occurred during 1927, and in fact during almost every year since 1920 when the peak of 6.60 per cent. was recorded. The return from these securities now approximates that obtainable in the early part of 1915 shortly after the outbreak of the war.

Yet another advance in bond prices must be recorded before it may be truly said that interest rates on securities of this class are back to the pre-war level. Long-term provincial securities as to-day's prices give a return of from 4.35 per cent. to 4.50 per cent. Industrial bonds likewise have shown substantial price appreciation during the year, varying from ½ to several points, so that seasoned first mortgage bonds of soundly established Canadian enterprises now give an interest return varying from 5.35 per cent. to 6.25 per cent. These increases in prices of bonds reflect the gradual decline in interest rates as well as the greater confidence placed in the securities themselves in view of improved business conditions throughout the country.

Foreign Securities

Large amounts of foreign securities continue to be purchased by Canadian investors. During the past 12-month period the previously existing amount was augmented by still further sales estimated to exceed $90,000,000. This is the largest amount ever recorded in any 12-month period and the securities sold comprised government and municipal bonds of almost all the South American countries and a great many European countries and municipalities. Undoubtedly, attractive yields are still offered in this class of investment, although as in the case of bonds issued by industrial corporations, careful scrutiny must undoubtedly be made before making purchases.

Bond prices are substantially higher and the supply of funds in the hands of both institutions and individuals, combined with somewhat curtailed offerings of high-grade securities, points to higher prices over a period of eighteen months, says a circular issued by the Dominion Securities Corporation. Governments and municipalities have promptly met their maturing obligations. Their past record in this respect undoubtedly accounts in part for the relatively high prices at which they are now selling in both the United States and Canadian markets. The Federal Government offered no long-term bonds, selling only $45,000,000 short-term notes, although more than $100,000,000 funded debt matured during the year.

Canadian Bridge Co. Competes With Hamilton

Editor The Financial Post:—My attention has been called to an article on page 11 of your issue of January 13th, relative to the Hamilton Bridge Company, in which the following statement appears: "In the past, it has been understood that the Hamilton Bridge Works worked closely with the Canadian Bridge Company, which is subsidiary of the American Bridge."

For your information, the Canadian Bridge Company is not a subsidiary of the American Bridge Company, but of the Canadian Steel Corporation, Limited.

Will you kindly publish in your next issue, in a prominent location, a correction of the above statement to the effect that the Canadian Bridge Company has not in the past, nor are they at present associated with the Hamilton Bridge Company in any enterprise, that the respective companies are competitors on bridge and structural work!

JOHN W. SEENS.
President.

Walkerville, Ont., Jan. 17th.

Bond Notices

All of the oustanding 25-year, 6 per cent. first mortgage bonds of the Donnacona Paper Co., dated June 1st, 1915, have been called for redemption on April 17th next at 105 and accrued interest, payable at the Bank of Montreal, Montreal, or at the First National Bank of Utica, Utica, N.Y., or at the Bank of Montreal, New York City.

Donnacona Paper Co., is also retiring all of its 6 per cent. gold debentures, series B, C, D and E, dated March 1, 1927, at 102 and accrued interest on March 19 next, at the First Bank and Trust Co., Utica, N.Y.

Bond Redemptions

	Rate	Due	Redeem.	Price
Shawinigan "D"	5½%	1954	Apr. 1	105
Do. "E"	5%	1955	Apr. 1	105
Pt. Alf. Pulp B	6½%	1943	Apr. 1	104¼
Nat. Breweries	6%	1939	July 1	105
Ottawa Gas	6%	1939	Mar. 1	103
Canada Cement (Old company)	6%	....	Mar. 31	110
Ottawa L. H. & P. "A"	6%	....	Mar. 1	105

SASKATCHEWAN REDUCES EXPENSES TO MINIMUM RATE

Total for Twelve Months Ended February, 1927, Was $12,962,217

Expenditures of the Saskatchewan government have been kept down to a minimum during the past five years, judging by report on finance presented to the provincial legislature by Premier J. G. Gardiner. The total for the twelve months ended April 30, 1927, was $12,962,217, compared with $13,212,483 in the preceding year, and $12,498,933 in the 1924-25 period.

The financial programme of Saskatchewan for the past year has not been without interest. Flotation of a loan at a cost of 4.51 per cent.; initiation of a debt redemption policy whereby 10 per cent. of the annual liquor profits are applied to that end; and a reduction of 25 per cent. in the public revenue tax, are the principal features.

Debt Per Capita

The net debt of Saskatchewan now stands at $33,110,329, which makes the net per capita debt only $40.33.

Revenue for the past fiscal year amounted to $13,050,217, of which the Dominion subsidy totalled $2,032,575. The province of Saskatchewan levies no income tax, amusement tax or gasoline tax, although there are persistent rumors that the necessities of road construction will result in the government imposing the latter levy, earmarking the proceeds for highway building.

The public revenue tax is by far the biggest revenue producer for the provincial treasury, the last available annual figures showing $2,321,181 collected on this count. The rate since the reduction, now stands at 1½ mills on all lands. It was reduced by half a mill last year, thus releasing about $500,000 at least to the municipalities. The first 4 per cent. debentures sold by a western province since before the war were those floated by the Saskatchewan treasury last fall. The total involved was $1,830,000, 30-year 4 per cent. bonds. The cost to the province of 4.51 per cent. has since been bettered by the treasuries of both Manitoba and Alberta, but it is pointed out that, to offset the higher price, the Saskatchewan issue was paid in Regina funds.

RELIANCE GRAIN OVER-SUBSCRIBED

Offer is $2,000,000 6 Per Cent. First Mortgage Bond Issue

From Our Own Correspondent

MONTREAL.—The $2,000,000, 6 per cent., first mortgage bond issue of the Reliance Grain Company offered by Nesbitt, Thomson & Co., at the close of last week, has been largely over-subscribed. The particulars of the issue follows:

$2,000,000 Reliance Grain Co., Limited.

6 per cent., first mortgage and collateral trust sinking fund, 20-year bonds.

Dated Jan. 2, 1928, due Jan. 2, 1948.

Capitalization—

	Authorized	To be issued
6 per cent. first mtge. and collateral trust bond (this issue)	$5,000,000	$2,000,000 (series "A")
6½ per cent. cumulative pref. stock	3,000,000	2,000,000
Com. stock of no par value	100,00 shs.	100,000 shs.

Business—Owns a terminal elevator at Port Arthur with a capacity of 4,000,000 bushels and has complete facilities for handling grain from its 178 country elevators to the seaboard.

Value—Net tangible assets amount to over $4,346,000, in which is included an appraisal value of the property of $2,900,000.

Earnings—After all charges, have averaged over the past three years, 4.8 times the bond interest requirements.

Further Issues—Can only be sold to the extent of two-thirds of the cost of additions and extensions to the property.

Sinking Fund — Commences 1930, equal to 2 per cent. of the total bonds outstanding annually, together with an amount equal to interest on bonds redeemed.

Offered—January, 1928, by Nesbitt, Thomson and Company at par to yield 6 per cent.

PUBLIC UTILITIES FINANCE LARGELY THROUGH SHARES

Stock Issues in 1927 Increased More Than Offerings of Bonds

A significant feature of corporation financing for the first 10 months of 1927 is an apparent tendency for public utilities to provide for additional capital requirements through the sale of stock, says a bulletin of the American Gas Association.

During the first ten months of 1926 the volume of new utility capital secured by long term bonds comprised $882,195,000, while for the corresponding period of 1927 this figure was $960,362,410, an increase of less than 9 per cent. New capital secured through short term bonds and notes registered a decline during the period, dropping from $69,953,100 to $64,500,800, a decrease of nearly 8 per cent.

At the same time the amount of new capital represented by stock rose over 35 per cent., from $413,236,897 during the first ten months of 1926 to $561,671,086 for the same period in 1927.

The importance of this trend is emphasized when it is considered that out of the total new capital obligations amounting to $1,365,385,327 emitted by utilities in the first ten months of 1926, almost 70 per cent. was represented by short and long term bonds or notes, whereas for the same period of 1927 this proportion had dropped to little more than 64 per cent.

For the first ten months of 1927 total issues of new securities of all sorts, stocks, bonds and notes representing both new and refunding capital, emitted by public utility companies in the United States, aggregated $2,216,610,086. This represents an increase of 32 per cent. over the corresponding period of the preceding year.

Of equal significance is the fact that out of the grand total of $8,042,166,453 of securities of all sorts, including all corporate, foreign government, farm loan and municipal, issued during the period, public utility securities constituted more than 27 per cent.

With the exception of domestic government issues, one out of every four dollars invested in the United States during the period went into the public utility industry.

TORONTO GROUP PURCHASES LAND ON WATERFRONT

Will Erect Modern Light Loft Manufacturing and Warehousing Building

A large parcel of land on the waterfront has been purchased from the Toronto Harbor Commissioners by a Toronto group, who purpose erecting on the site one of the most modern light loft manufacturing and warehousing buildings in the city.

The proposed new building will be of 10 stories in height and is to be constructed of art stone for the first two floors and of reinforced concrete for the remaining portions, rubbed and painted as to the front and west elevations. The upper cornice will also consist of art stone.

Space in the building for light manufacturing and warehousing is to be offered for rent as soon as plans are completed and among other features proposed, is the unique one of a delivery service for city deliveries to be maintained by the owners of the building for the accommodation of their tenants.

One of the factors largely instrumental in the selection of the site in question is the service available, at the rear of the Harbor Commissioners' properties along Fleet Street, from both the Canadian National and Canadian Pacific Railways of free interswitching and the consequent saving of costly cartage and teaming of carload business which is necessary where no railway siding may be had.

It is anticipated that further development of Fleet Street, as the foremost section for this type of building construction, will take place very shortly.

This Week's Bond Sales

WALKERVILLE ISSUE

A. E. Ames & Co. were the successful tenderers for an issue of $169,240, five per cent., 10, 15 and 20-year bonds of the town of Walkerville, their bid being 101.26. Tenders follow:

A. E. Ames & Co.	101.26
Fry, Mills, Spence & Co.	101.03
Dyment, Anderson & Co.	100.68
McDonagh, Somers & Co.	100.63
Bell, Gouinlock & Co.	100.60
Bank of Commerce	100.48
C. H. Burgess & Co.	100.24
Royal Securities Corp.	99.88
Matthews & Co.	99.83
McLeod, Young, Weir & Co.	99.59

CITY OF HULL

An issue of $156,000, City of Hull, five per cent., 20-year debentures has been awarded to H. C. Monk & Co., their bid being 102.76. The bids were:

Monk & Co.	102.76
McLeod, Young, Weir & Co.	102.61
Mead & Co.	102.58
Dyment, Anderson & Co.	102.55
Dominion Securities Corp.	102.37
Wood, Gundy & Co.	102.30
Fry, Mills, Spence & Co.	101.54
Burgess & Co.	101.11
Hanson Brothers	100.77
Beaubien & Co.	100.28

Loan Co. Offers Balance of Issue

From Our Own Correspondent

MONTREAL. — To provide for the expansion of its activities, the Mortgage and Finance Corporation is offering the balance of its authorized issue of bonds amounting to $500,000. These will be offered to present holders of the bonds on the basis of one new bond for every two held. The bonds have a par value of $50, and the price will be $58 with a bonus of common stock. The company has 28,000 shares of no par value common stock of which 13,000 shares have been issued.

It is intended to expand the company's operations into the commercial credit field, and an issue of $1,000,000 of preferred stock has been authorized by the board and will shortly be offered publicly. The issuance of preferred stock will increase the security behind the bond issue. The company will probably discount automobile and other commercial paper made available through the wider adoption of the partial payment plan. John Leslie, comptroller of the Canadian Pacific, was recently elected to the board of the Mortgage Finance Corporation.

PELISSIER'S, LTD. SHOWS INCREASE

Toronto and Winnipeg to Place Stock on Unlisted Department

The reception accorded to the common stock of Pelissier's, Ltd., brought out by Harley, Milner & Co., who were recently associated with Western Canadian investment houses in placing an issue of the company's convertible preferred shares, indicates the interest which the public is now taking in this class of security. The issue was oversubscribed shortly after the public offering was made.

The business of Pelissier's, Ltd., has shown a marked increase over the past three years and in view of the "beer by glass" legislation which is expected to be in effect in the next few weeks, the management seem justified in anticipating an even greater rate of growth.

This stock will be placed on the unlisted department of the Toronto Stock Exchange and the Winnipeg Stock Exchange.

Details of the issue follow:

350,000 Shares
Pelissier's Limited
No Par Value—Common Stock

General—This stock was offered to the purchasers of the company's preferred stock on the basis of two shares for each share of preferred and the full amount of 9,000 shares thus available was purchased. Of the amount to be outstanding, 20,000 shares are now available on this offering.

Company—Engaged in the production of beer, ale and stout. Plant located at Winnipeg. Capacity of the plant is rated at over 200 barrels a day. Capacity can be increased 50 per cent. at a relatively small expenditure.

Assets—Fixed assets of the company as at September 30, 1927, are placed at $460,982. Net current assets, after giving effect to this financing and after deduction of all current liabilities, amount to $124,151.

Earnings — For the eight months ended September 30 last, were $108,077, equivalent, after deducting preferred dividend requirements for a similar period, to $1.64 per share of common stock, or at the annual rate of about $2.46.

Sales — Gross sales have increased from $165,746 for the thirteen months ended January 31, 1925, to $447,135 for the nine months ended October 31, 1927.

Offer—Harley, Milner and Co., at $13 a share.

STAR LAUNDRY TO MAKE OFFER

Issue is $100,000, 6½ Per Cent. First Mortgage Bonds

Victor W. Odlum and Co., of Vancouver, are making a public offering this week of $100,000, 6½ per cent. first mortgage bonds of the Star Steam Laundry Co.

This company has been operating a steam lanudry in Vancouver and district since 1906, and has been able to expand from time to time out of earnings and by means of additional capital furnished by the sareholders, till it has one of the largest plants in operation on the Pacific Coast.

Particulars of the issue follow:

$100,000
Star Steam Laundry Co.
1st Mortgage 6½% Sinking Fund Bonds

Dated January 16, 1928. Due January 16, 1943.

Company—Operates modern steam laundry in Vancouver.

Capital—

	Authorized	Outstanding
1st mtge. bonds	$100,00	$100,000
Common stock (par $10 each)..	20,000	20,000

Management—There will be no change.

Purpose of Issue — Retiring company's present indebtedness and to provide for additional machinery, etc.

Sinking Fund—Commencing July 16, 1928, sufficient to retire $57,000 of these bonds by maturity.

Security—Secured by a specific first mortgage on the buildings, land and plant and a floating charge upon all other assets.

Assets—Net tangible assets, after giving effect to present financing, total $273,539.

Earnings—Have shown a steady increase in each of the past four years. For the calendar year 1926 net earnings before depreciation and interest totalled $38,400. For the nine months ended September 30, 1927, on the same basis, they totalled $35,374. Interest requirements on this issue amount to $6,500 annually.

Guarantee — Prompt payment of interest and repayment of principle is personally guaranteed by shareholders of the company.

Offered—Victor W. Odlum and Co., Vancouver, at $98.50 and accrued interest.

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Investment Securities
Orders Executed on all Exchanges
Dominion Bank Bldg.,
Toronto
ELgin 7510

We offer and recommend
Canadian Hydro-Electric Corporation Limited
6% Cumulative First Preferred Stock
(Par value $100)
Price at the market to yield over 6%
BROWNE, URQUHART & COMPANY
LIMITED
INVESTMENT BONDS
180 ST. JAMES STREET, MONTREAL

Dominion Distillers Makes Public Offer of 125,000 Common

Issue is of No Par Value at $12 Per Share

From Our Own Correspondent

MONTREAL.—Through its fiscal agents, the Dominion Distillers Consolidated, Limited, is offering publicly 125,000 common shares of no par value at $12 per share. The particulars of the issue follow:

125,000 shares Dominion Distillers Consolidated

Capitalization — Authorized 500,000 shares; outstanding, 125,000 shares (this issue) and 125,000 restricted shares. The present offering has prior rights on dividends up to $1 a share per annum.

The Company—Formed to hold securities of other companies engaged in the production of spirits. Largely through an exchange of stock, now owns more than 95 per cent. of the shares of Dominion Distillers Limited. It is intended to acquire the securities of other companies. The Dominion Distillers owns and operates a plant located on the Lachine Canal at Montreal which produces industrial alcohol and an established line of gins and whiskeys. The capacity of the plant is shortly to be increased to 10,000 gallons. Present capacity is 5,000 gallons daily.

Assets—Total appraised value, $1,296,445.

Earnings—It is estimated for the current year will amount to more than $450,000.

Purpose of Issue—Will be loaned to subsidiaries to increase plant and property; and to purchase the controlling interest in other companies.

Listing—Application will be made in due course to list the stock on the Montreal Curb, the New York Curb, and in Toronto.

Offered—January, 1928, by the Dominion Distillers Consolidated Sales Company at $12 per share.

Fraser Companies Redeem Stetsons

From Our Own Correspondent

MONTREAL.—It is understood that the Fraser Companies will redeem all the outstanding 7 per cent., first mortgage bonds of the Stetson, Cutler Company which are due in 1942. The bonds are redeemable at 106. The Royal Securities Corporation sold the $2,500,000 issue five years ago at 98. The amount now outstanding is $2,235,500.

The Fraser Companies common stock has been listed on the Montreal Stock Exchange. The preferred shares are convertible into common on a three for one basis and as the preferred has been called at the close of this month at 105, it is obvious that the whole issue will be exchanged, despite the fact that the new common pays but $1 annually. Before the common stock was listed, the preferred sold up to $175 which placed a value of 56½ on the common shares.

Pay-as-You-Play is Plan of Bathurst Golf Club

The public is given an opportunity to invest in a pay-as-you-play club to be known as Bathurst Golf & Country Club, somewhere in the vicinity of Toronto. Except for the name of the syndicate and the location of its office, there is no indication as to the location of the club.

It is suggested to recipients of a circular that the syndicate shares at $100 each should be valuable later because of the fees which the club will receive from players and also because of a revenue obtainable from the sale of refreshments. The syndicate shares will be exchangeable into club shares on the basis of two club shares for one syndicate share on the incorporation of the club under Ontario laws.

The reason for the formation of the syndicate is stated to be the growing popularity of golf and the fact that so many players prefer not to join a club organized along the usual lines.

Sales Notice Sent to Dominion Iron

A committee composed of Richard F. Hoyt, John J. Rudolf, Hermann C. Schwab and J. Ernest Allen, have sent the following notice, in part, to the bondholders of the Dominion Iron and Steel Co., Ltd.:

"The undersigned committee has negotiated a contract for a cash sale of all Dominion Iron and Steel Co., Ltd., five per cent. consolidated mortgage bonds, due 1929, which may be on deposit with it January 30th, 1928, for a profit of 86½ per cent. ($865 per $1,000 bond), plus all interest accrued and unpaid from March 1, 1926, up to date of purchase, plus an additional amount equal to the expenses on this committee. On this basis holders of certificates of deposit, upon consummation of the sale and upon surrender of such certificates, will receive the following: (a) 86 per cent. of the principal amount of the bonds called for by the certificates of deposit; (b) interest accrued and unpaid on such principal amount from March 1, 1926, up to February 1st, 1928; or a total of approximately 96 per cent. of the principal amount of the bonds ($960 per $1,000 bond) called for by the certificates of deposit. From this amount there will be no deduction since the members of the committee serve without compensation and an amount sufficient to cover the expenses of the committee is to be paid by the purchasers of the bonds.

"By its terms the contract is not binding unless the committee is able to deliver at least $3,480,000 principal amount of the outstanding bonds. There are at present on deposit with the depositary of this committee in excess of this necessary minimum number of bonds."

Reports of activities by the British Columbia Growers and Shippers' Federation state that prices paid for apples this season are the highest for the past seven years.

Tenders and By-laws

Feb. 6, Municipality of Ste. Therese de Blainville, P.Q.—$17,500, five per cent., serial debentures. A. Forget, sec.-treas.

Jan. 21, R. M. of Dauphin.—$43,000, six per cent., 20-year bonds. J. A. Gorley, sec.-treas.

Jan. 24, Temiskaming & Northern Ont. Rly. Commission—$6,000,000, four per cent., 40-year debentures, guaranteed by the Province of Ontario. Geo. W. Lee, chairman, Temiskaming & Nor. Ont. Rly. Com., treasury dept., Parliament Bldgs., Toronto.

SASKATCHEWAN

Authorization Granted by the Local Government Board From Dec. 24, 1927; to Jan. 7, 1928

Rock Mountain S.D. No. 4198, $2,000. **Telephones:** Eaton Pioneer, $250; Willowbunch-Harptree, $16,250; Wartime, $1,450; Snipe Lake, $1,150; Elldon R.T., $3,400; Marshall, $1,150 Turtleford, $5,000; Fartown, $3,550.

Debentures Reported Sold

Ladybank, No. 4713, $3,500, 15 years, six per cent., Saskatchewan Farmers' Mut. Fire; Nadon, No. 1164, $3,200, 15 years, 5¾ per cent., Houston, Willoughby & Co., Regina; Ratcliffe, No. 4731, $4,500, 15 years, 5¾ per cent., Waterman, Waterbury Co., Regina; Hill Peak, No. 545, $600, 10 years, 5¾ per cent., Regina P. S. Sinking Fund; Hoodoo, No. 1353, $500, 5 years, 5½ per cent., Regina P. S. Sinking Fund; Bremner, No, 2921, $1,000, 10 years, 5½ per cent., Regina P. S. Sinking Fund; Forest Bank R. T., $1,600, 15 years, 5½ per cent., H. M. Turner & Co., Regina; Ridgedale R.T., $1,100, 15 years, 5½ per cent., H. M. Turner & Co., Regina; Amulet E.T. Co., $1,500, 10 years, 5½ per cent., G. Moorhouse & Co., Regina.

JOINS STEWART, MCNAIR

Stewart, McNair & Co., members of the Toronto Stock Exchange, Toronto, announce that J. C. Eccelstone, has become associated with their firm. Mr. Eccelstone is a son of W. V. Ecclestone of the T. Eaton Company, and was formerly sales manager of the Colonial Manufacturing Company, Toronto, and is very well known in Canadian industrial circles.

New Issue
Donnacona Paper Company, Limited
6% Twenty-Year Gold Debentures, Series "A"
Date of Issue: February 1st, 1928.
Maturity February 1st, 1948.
Price: Market and accrued interest, to yield about 6%.
Descriptive Circular on Request
Matthews & Company
LIMITED
Investment Bankers
Telephone: Elgin 5192
255 Bay Street Toronto

W. E. PATON & CO.
LIMITED
GOVERNMENT, MUNICIPAL AND CORPORATION BONDS
145 St. James St., MONTREAL Tel. Harbour 3414
Sun Life Bldg., SHERBROOKE Telephone 30

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Stocks, Bonds and Mining Shares
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offers an opportunity comparable to the one mentioned. Full details will be gladly furnished without obligation.
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Osler & Nanton Trust Company The Dominion & General Trust Limited

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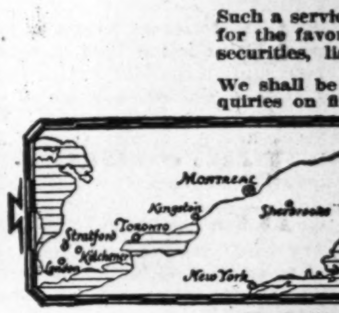
Clients of this company enjoy a financial service which includes membership on five exchanges, twelve offices connected by private wire, and correspondents in leading financial centres.

Such a service furnishes every facility for the favorable purchase or sale of securities, listed or unlisted.

We shall be glad to receive your inquiries on financial matters.



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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Walkerville	Jan.	A. E. Ames & Co.	5%	10, 15, 20-yr.	$169,240	101.26	4.84
Stayner	Jan.	Dyment, Anderson & Co.	5½%	15-ins.	18,750	104.237	4.87
Coronation, Alta.	Jan.	W. Ross Alger Corp.	6%	10-ins.	5,000	102.51	5.49
St. Jean, Que.	Jan.	L. G. Beaubien & Co.	5%	40-ins.	150,000	99.27	5.04
Sask. Schools and Phones	Jan.	Various	...	....	17,500	....	...
Hull, Que.	Jan.	H. Monk & Co.	5%	20-yr.	156,000	102.76	4.78
		Provincial					
New Brunswick	Jan.	First National Bank, Bank of Montreal, Redmond & Co., A. E. Ames & Co.	4¼%	1947	1,800,000	....	4.30

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Reliance Grain Co.	Jan.	Nesbitt, Thomson & Co.	6%	1948	$2,000,000	100	6%
Donnacona Paper Co.	Jan.	Royal Securities Corp.	6%	1948	$4,000,000	99½	6.05
Star Steam Laundry	Jan.	V. W. Odlum & Co., Vancouver	6½%	1943	100,000	98½	...
Saguenay Electric Co.	Jan.	Aldred & Co., and Wood, Gundy & Co.	5½%	1953	1,360,000	98½	5.60
City of Santiago	Jan.	U. S. Syndicate	7%	1949	4,000,000	100¼	...
Stock Issues—							
Pelissier's, Ltd.	Jan.	Harley, Milner & Co.	Com.		50,000 shs.	$13	...
Whirlwind Carpet	Jan	S. D. Terry	1st pref.		$50,000	....	...

THE FINANCIAL POST
Member Audit Bureau of Circulations
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Managing Editor—FLOYD S. CHALMERS

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MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; Rielle Thomson, Eastern Editor. WINNIPEG, 810 Confederation Life Bldg. NEW YORK, 556 Graybar Bldg., 420 Lexington Ave. CHICAGO, Room 1903, 360 N. Michigan Blvd. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 65-66 Chancery Lane, W.C. 2, E. J. Dodd, Director.

TORONTO, JANUARY 20, 1928

DRAINAGE AND FISH

THE report of the New York State Conservation Commission for 1927 contains some statistics and comments on the decline of the fishing industry in Lake Erie that will be found interesting by Canadians.

The report relates only to the catch from ports within the state of New York. These are: Dunkirk, Barcelona, Irving and Buffalo. The catch from these ports for 1926 is given as 2,639,232 pounds. In 1925 it was 4,011,681 pounds, and in 1924 it reached 8,234,433 pounds, the largest on record. Of the total caught in 1924, 7,625,964 pounds were ciscoes. In 1926 the catch of ciscoes dropped to 215,717 pounds. No such small catch of ciscoes has previously been reported within the memory of living fishermen.

The commission says: "Several reasons have been advanced for the recent falling-off in the catches of fish from Lake Erie. While the department does not believe it can at this time definitely state the cause, it feels that there is some merit in the claim, often heard, that conditions to-day in the fisheries of Lake Erie are attributable to the taking of millions of gallons of water for the Chicago drainage canal system."

It can readily be understood that a lowering of the lake levels during the season might cause great destruction to spawn laid in shallow waters everywhere between the foot of Erie and the head of Michigan and Superior. Any such loss would affect Canadian fisheries equally with those on the United States side.

Inasmuch as fish are an important food product as well as the basis of a great industry, the destruction of fisheries by the unwarranted withdrawal of water from the lakes may become an additional argument in the fight against Chicago's proceedings.

TARIFF BUFFER

CANADA has an advisory board on tariff and taxation. But this board does not fix the tariff nor change excise taxes. It will be news to many Canadians that the board does not even make written reports to the minister of finance, whose adviser the board is. Its chairman, William H. Moore, merely makes verbal suggestions to the minister, who acts upon the ones he likes—or that are politically expedient—mentally shelves those suggestions that for one reason or another he and his fellow cabinet ministers decide not to adopt. The purpose of the verbal suggestions is to obviate the possibility of opposition members of parliament demanding the production in the House of Commons of correspondence between the minister and the tariff board head. This situation gives point to the charge of P. W. Bird, Progressive M.P., that the tariff board is merely a buffer between the government and public opinion.

Shortly the new budget will be brought down, when Canada will have an opportunity of appraising the value to the country of having had this board taking evidence and sifting facts for the past year. Already it is apparent that there will be a number of changes in the tariff and to the tariff board can be ascribed a number of these. Changes in cigarette and liquor taxes, reduction in the duty on book paper and on machinery not manufactured in any Canadian plant, some scaling up of woollen goods protection and the elimination of a number of anachronisms and inconsistencies in the tariff are expected and on all of these the investigatory work of the tariff board has been prominent.

The board has not taken the tariff out of politics. The most that it has done has been to do for the finance minister a great deal of research work that he obviously has not had time to do for himself. Later, Canada may find it desirable to go further in the direction it has gone and to establish a tariff board that will actually have power to adjust the tariff according to the basic needs of the country. It is doubtful if the Canadian public is fully convinced of the need for such a move and for that reason the present board likely represents the limits to which any government will go for some time yet. Public support should be accorded the present tariff board experiment until it has definitely been proven futile or inadequate.

It is undoubtedly a considerable improvement upon the former system, under which the finance minister wasted most of his time listening to isolated and prejudiced pleas for tariff changes, and succeeded only in getting a superficial view of the problems before him.

Moreover, the present type of board is likely to be much more practical than the system that was tried in the States and suggested for Canada of a board of professional economists, knowing only what schoolbooks taught them and nothing of the practical application of economics to current Canadian conditions.

In the meantime, it would be valuable if steps were taken to carry out a suggestion made in Ottawa correspondence to the Manitoba Free Press. That is that the evidence before the board should be printed and made available. As this correspondent indicates the evidence recorded constitutes the most complete fund of information which has ever been collected in Canada upon the tariff. As a fact finding body the board has been a striking success. But the tariff board cannot reach the full measure of its usefulness unless this record is printed and made available to the public. This would be the more valuable in view of the fact that the chairman of the board, William H. Moore, is an astute and long-experienced politician and those of his public remarks that make good newspaper copy and thus influence public opinion may not be as important as the dryer but more significant facts that get little publicity in the daily press as they are presented.

DESERVES TO GROW

THE Canadian Chamber of Commerce, we learn, closed 1927 with an increase of 100 per cent. in active membership. Of course, in a young institution a rapid rate of growth such as this is to be expected, but it is gratifying that the Chamber shows its ability to carry on after the first wave of organization enthusiasm has passed. Too often bodies of this character disintegrate in their early stages. The infant mortality rate among public bodies is high. But the support from prominent business men for the Canadian Chamber of Commerce has been encouraging, and insures for the body a long and useful life.

The Chamber has shown singular perspicacity in its choice of subjects for discussion and action. It has recognized in immigration, scientific and industrial research, tax reduction, the utilization of Canadian resources for Canadians, and the stimulation of a larger interest in local boards of trade, some pressing and important problems and has thrown its energies toward improvements in these directions.

The Canadian Chamber of Commerce moved into action slowly and with little trumpeting. Its officers were not the usual type of publicity seeking professional title holders. Its opportunities for service are many and we feel will be well grasped.

SATISFIED

LONDON, England, opinion was very favorable on the recent announcement of the Hudson's Bay Company that the dividend this year would be as large as the dividend of last year. Financial editors over there viewed the announcement as a complete answer to those critics of the company who see it heading for ruin. Since the capital of the company has increased from £1,500,000 to £2,000,000 during the year the same rate of dividend will require a considerably large sum of money.

Hudson's Bay Company has been in existence over 250 years. In that time it has steadily advanced as the character of the company has changed to meet the movement of economic conditions. In the past the company has been attacked more for the profits it has made than for any lack of profits. Now there is some criticism from certain shareholders of the management because, in the opinion of these shareholders, it is not pursuing a policy likely to bring the company the highest returns.

London, England, financial editors are a critical group of writers, and it is not without its significance that they are showing complete approval of the policies of the management.

PIONEERS FOR CANADA

DO OUR immigration policies consist largely of impractical and expensive frills? C. W. Petersen, editor of the Farm and Ranch Review, of Calgary, one of the keenest thinkers in Western Canada, believes so. Mr. Petersen has written two articles outlining a practical and, in his opinion, workable colonization plan for the Dominion. The first of these articles appears in this issue of The Financial Post and it will stir a constructive thought in the mind of every person who reads it.

A little critical study of what we are now driving at in immigration reveals very apparent futilities. Broadly speaking, our policy is to bring to Canada farmers and trained domestics from the British Isles. These we are ready to establish on the country at any expense, providing low passage fares and making large loans on easy terms to agricultural families. Immigration from other countries is not encouraged and it is fair to say that it is frowned upon. We can never with facility build population upon such a plan. The number of British families available for settlement on Canadian farms is not high enough to permit us to consider British immigration a sufficient solution of our problem. The fact that we talk about a 3,000 family scheme and take years to work it out indicates that British agricultural immigration can never be more than a partial contribution to what actually should be our immigration flow. The supply of trained domestics in the British Isles is also limited, and the demand for their services is pressing at home. British immigration is decidedly to be encouraged, and a larger flow than even the present can be had, but British immigration can never be enough.

Mr. Petersen's plea is that encouragement should be given to the rugged pioneering type of Central European, who is now allowed to come to Canada under certain restrictions, but who gets no encouragement from the government when he arrives. Suitable areas should be set aside for these, contributions made toward the expense of their coming out, and small loans made to them to enable them to establish themselves on the land. Mr. Petersen does not disguise the fact that his scheme will involve the expenditure of large sums of money. If we are to promote a mighty sweep of immigration we must spend money. In the years when Canada had the largest number of new citizen arrivals its immigration expenditures were relatively large. No one to-day begrudges one dollar of the money then spent. No one should begrudge one dollar of money constructively spent to-day to bring new and worthy citizens to our soil.

Obviously such a colonization plan as Mr. Petersen suggests will be only part of a broader and more comprehensive scheme of immigration activity. We are frankly doubtful if the present department of immigration will tackle this plan. It could best be worked out by a nonpartisan immigration and colonization council composed of some of the country's best business brains.

SCIENCE AND INDUSTRY

IMMENSE sums are paid by this country each year for imported articles that could be produced in Canada if we knew how to utilize our own raw materials. Science is teaching industry how to utilize these raw materials, and therein lies one of the great assets of scientific research.

Prof. J. C. McLennan, of Toronto University, told a Toronto gathering some of the avenues along which research can travel in Canada to bring wealth to this country. Having passed through a bronze age and an iron age, we are entering an aluminum age. Canada has the electric power to produce aluminum cheaply but does it from imported bauxite. Scientific research will show how to produce aluminum from the soil of the great clay belt.

Canada has increased its average production per acre of wheat from around 13 to 19 bushels. But the production should be nearer to 35 or 40 bushels, and any very small increase in the productivity of our wheat lands will add enormously to the nation's wealth.

Scientific research will not only develop the fertilizers to make this possible, but will give to Canada an enormous chemical industry that will make it unnecessary for us to be dependent upon foreign supplies. With our water powers, our natural resources in phosphates and the sulphuric acid by-products of our mining plants, we should be able to produce great annual wealth. But specific research in these directions must be encouraged and made possible.

In one Alberta oil well, where gas is now going to waste, an annual sum of $7,800,000 a year in possible wealth is being lost to the Dominion for lack of a method to utilize commercially the resources now dissipated into thin air.

Money spent on research in these and scores of other fields will pay handsome dividends to the Dominion.

It is unfortunate that at Ottawa only two ministers seem to have become convinced of the value of industrial and scientific research. These are Messrs. Malcolm and Stewart. The prime minister, Mr. King, as Prof. McLellan pointed out, has taken his usual detached view on the matter and has nothing to say. While he is silent industry waits.

Prof. McLennan, who is one of the world's great scientists, and an eminently practical man, keenly appreciating the viewpoint of industry, commends Premier Ferguson of Ontario for his promise to go ahead with research work in co-operation with industry if Ottawa fails to take up the challenge. It is highly undesirable that there should be any conflict between the Dominion and the provinces on the matter of research. There is plenty of room for all to do good work. Ottawa should be the co-ordinating factor.

Prof. McLennan's reference clearly indicates that the scientific men of Canada expect Ottawa to implement its promise in regard to the encouragement of research. Business men take the same stand.

WEALTH IN BRITAIN

WEALTH is more evenly distributed in Canada—as in the United States—than in Great Britain. A recent survey has it estimated that 64 per cent. of the wealth of Great Britain is in the hands of less than one per cent. of the population. This is, of course, excellent raw material for socialists. But it must not be considered by itself, as an isolated fact. In recent years income has become more evenly distributed in Britian than capital wealth. Capital wealth has not been an unmixed blessing to its owners. The large land-holders of Britain have suffered severe losses of income. And as the London Statist points out in discussing a recent book "Survey of the Social Structure of England and Wales" by two British statisticians, a more even distribution of British wealth is being effected as a result of progressive taxation.

The survey referred to indicates that the real income of British people declined between 1901 and 1924. Much of the decline was due to a smaller investment income from abroad. Wealthy British families have been hit badly by the war and its after effects.

TOMMY CHURCH and the shade of Sir John A. Macdonald could warn Mr. Bennett not to ask too seriously for accurate reporting by the press.

* * *

THE AVERAGE man's knowledge of Central American republics has been confined to what he has learned from Richard Harding Davis and postage stamp albums. Lindbergh has put them on the newspaper map.

POST-scripts

BETWEEN $200 and $300 worth of United States air mail stamps are sold in Vancouver monthly, according to a report prepared for Canadian post office authorities by Major D. R. MacLaren, D.S.O., president of the Air Force Club of British Columbia.

Nearly 30 letters are posted daily in Vancouver for carriage by U. S. air mail routes, Major MacLaren discovered. Most of these are addressed to Los Angeles, San Francisco and other Pacific Coast cities, but many are consigned to eastern Canadian and U. S. centres.

Major MacLaren's report points out that 24 hours is lost between Vancouver and Seattle since there is no air mail connection.

Establishment of an air mail connection to Seattle from this city would be of material benefit to bankers and business men of British Columbia, it is believed.

T. G. McINTOSH, credit manager of Pottery Products, Winnipeg, tells a story which aptly illustrates a fallacy of much current protest about the high cost of living.

"A farmer wished to purchase a wagon. The dealer named his price. We'll say it was $300. The farmer protested, saying that he had purchased the same make of wagon in 1914 for $175. The dealer consulted his records and found that he had accepted from the farmer in exchange for the wagon so many bushels of wheat. He then agreed to accept the same quantity of wheat in exchange for the wagon. The cost of the wagon, on a wheat basis, had not increased. A bushel of wheat is always a bushel of wheat; that is, it contains so much food, value, according to standardized grades, but—is a dollar always a dollar?"

SOME time ago we told in this column the story of the Ottawa correspondent who carried a story of Sir Henry Thornton's appointment to the position of the chairman of the Canadian National Railways around in his pocket trying to get up enough nerve to send such a wild yarn to his paper, and thus missed a big scoop. An equally good story can be told of how another Ottawa correspondent missed, by a similar narrow margin, getting fired from his paper. He was writing a story about the conference between the Western Progressives and the Maritime Tories that took place a couple of years ago. He wrote "Mr. Hanson from New Brunswick said to the Progressives . . ."

Just then he was called to the telephone. When he came back he rushed to finish his story, putting in what Mr. Hanson is supposed to have said.

A few minutes later word came from the telegraph office. The operator wanted to know if the correspondent had not made a mistake. The copy did not "sound like him." He read off a passage and the correspondent was dazed to find that he had Mr. Hanson prefacing his remarks to the farmer members by asking "How much are we offered if we support the Progressive demands?"

Some press gallery wag had written in the line when the correspondent was at the telephone, and in his rush to catch the wires the poor newspaperman had not noticed the line that would have caused a furore in Parliament and probably cost him his job, if it had ever got into the paper.

FOLKS and Finance

SKIP this if you want to; as it's only about the futility of speechmaking — a national habit which has grown, and grown to such proportions that some cynics class it as our greatest national evil.

But to get on with the story. Sir Henry Thornton has set a precedent which might well be marked, learned and inwardly digested by many less able speakers with their so-called "messages."

"I had intended to address you in a serious vein," said Sir Henry this week at the annual dinner of the Canadian Produce Association. He continued: "to discuss with you the relative merits of buttermilk and condensed cream, and how to get the greatest number of eggs out of the average hen. But I find that you are already enjoying yourselves, and loath to spoil a good party I would suggest that the orchestra strike up a dance while I thank you, and sit down."

Comments

Remarkable Remarks by Interesting People

Dean Herbert E. Hawkes, of Columbia University: "To expel a boy from college as soon as a weak spot in his character has been located seems to me to indicate either a failure to understand human nature, or a blindness to the most solemn responsibility that the college has assumed in admitting him."

* * *

Judge Frederick E. Crane, New York: "No nationalism can to-day build itself upon the ruin of other nations. Time moves apace. Let us be sure that we move with it."

* * *

G. B. Shaw: "In all Dean Inge's writings there are passages which portray a dangerously uneducated man, by which I do not mean, of course, the natural man who has never been to school, but a monster who has been elaborately uneducated at Eton, Cambridge, Oxford and in the Church of England.

* * *

Senator Nye, U.S.A.: "Our tariff excludes Canada's wheat, but it does not raise the price of wheat in the United States."

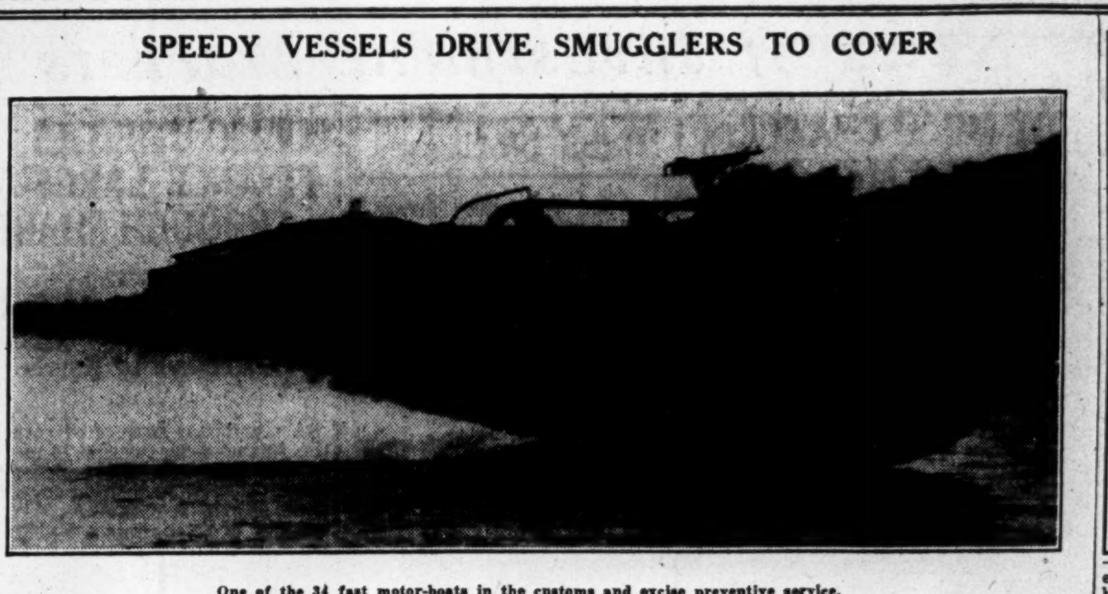
* * *

Rt. Hon. L. C. S. M. Amery: "The Empire is not external to any of our nations. It is something like the Kingdom of Heaven—something within us."

* * *

Judge Huycke, of Peterboro: "Ontario judges have the unenviable distinction of being the poorest paid in the British commonwealth."

SPEEDY VESSELS DRIVE SMUGGLERS TO COVER



One of the 34 fast motor-boats in the customs and excise preventive service.

Customs Revenue Grows as Smuggling is Checked and Appraisals Improved

By FLOYD S. CHALMERS

The customs scandal was one of the most sensational developments of recent political years in Canada. It revealed weaknesses in departmental administration, corruption in high places, and a general breakdown of morale of the whole customs service in Canada. It is less than two years since the scandal pot boiled. To-day an entirely different state of affairs exists in the customs administration of the Dominion.

Smuggling of merchandise into Canada has been effectively reduced to very small proportions. By the expenditure of the proper sums on reorganizing and re-equipping the whole preventive force, enormous benefits have accrued to the country in increased revenues, better business and higher standards of conduct in the civil service.

Tory Put On Job

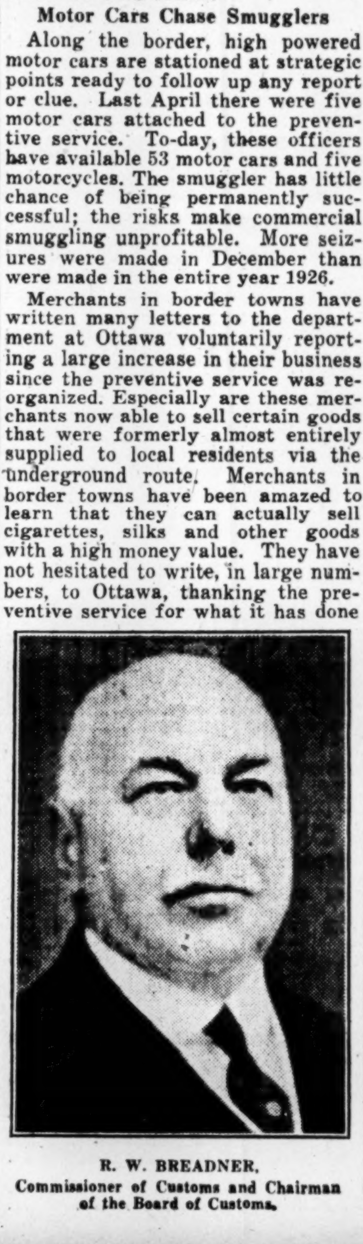
When the Department of National Revenue was decentralized, R. W. Breadner, who had been commissioner of income tax, was given the difficult task of running the customs service. He was made Commissioner of Customs, and was given supreme command of the entire job of collecting the customs duties of the country and of keeping down smuggling. He was under the Minister of National Revenue, but was told by the Minister, Hon. W. D. Euler, to take over the work himself, and do a good job. He was given all the authority he needed, was freed from political and technical restrictions, and was told, as any business executive would be told by his board of directors, that he would be judged only by results. The appointment of Mr. Breadner to the post was not made without some difficulty. Mr. Breadner is a Conservative in politics. It took considerable courage, not to say considerable persistence, to have a Tory put in the job when hundreds of Liberals were awaiting their rewards. But Mr. Euler declined to consider politics in making an appointment as important as this one.

Mr. Breadner's first job was to clean up and enlarge the preventive service and to drive the smugglers out of business. He got a good man to head the service, Chief F. W. Cowan, formerly of the narcotic squad. Mr. Cowan was given over 300 men to guard the border as against 109 formerly on the staff. He divided the country into six districts with a chief in charge of each division. Land officers were placed all along the border at traffic points, while other men were set to guard the coasts. Proper equipment was given to them to work with. Thirty-four patrol boats were bought for the East and West coasts, and boats were put on the Great Lakes. Some of these boats can speed through the water at 35 miles an hour. They are equipped with searchlights and machine guns. They have proven very effective in curbing the rum runners active on both coasts.

Motor Cars Chase Smugglers

Along the border, high powered motor cars are stationed at strategic points ready to follow up any report or clue. Last April there were five motor cars attached to the preventive service. To-day, these officers have available 53 motor cars and five motorcycles. The smuggler has little chance of being permanently successful; the risks make commercial smuggling unprofitable. More seizures were made in December than were made in the entire year 1926.

Merchants in border towns have written many letters to the department at Ottawa voluntarily reporting a large increase in their business since the preventive service was reorganized. Especially are these merchants now able to sell certain goods that were formerly almost entirely supplied to local residents via the underground route. Merchants in border towns have been amazed to learn that they can actually sell cigarettes, silks and other goods with a high money value. They have not hesitated to write, in large numbers, to Ottawa, thanking the preventive service for what it has done to regain for them the trade that is rightfully theirs.



R. W. BREADNER,
Commissioner of Customs and Chairman of the Board of Customs.

Probe Books of Firms

In addition to the marine forces and special customs-excise enforcement officers, there is a small force of special investigators trained in customs work whose duty it is to investigate the books and accounts of firms, periodically in connection with customs entries, and also to look into complaints received by the department against individual firms.

Under cover officers are at times placed at various points on the border with a view to locating a point along the railway where goods intended for Canadian consumption may be unloaded for the purpose of being smuggled into Canada later, over the highways.

The preventive service operates, of course, in connection with the excise branch as well as the customs branch. Some of its duties are to prevent bootleggers in Canada from evading the payment of excise taxes on spirits. The officers have uncovered many illicit stills, and have seized vast caches of liquor at isolated points.

Appoint Group of Appraisers

When investigation was made into the operation of the customs department, one of the important causes of trouble was found to be the difficulty of valuating goods imported into the country. It was discovered that merchandise was being brought into the country at ridiculously low valuations. While there was frankly much inefficient and even dishonest valuation apparent in these undervaluations, the difficulties in making appraisals were serious enough to make the problem of honest valuation an important one. The ordinary customs officers cannot be expected to be an authority on the value of every type of merchandise entering through his port. Naturally, without a system that would tend to bring appraisals practically to a basis of uniformity there would be wide variations in the valuations at different ports. Importers, as they did before the re-organization of the department, would be tempted to shop around from port to port and if they found an office where the customs officers were inclined to accept a low valuation for their goods they would have their goods brought in through that port. To prevent such a tendency towards inefficiency the department is appointing special Dominion appraisers, men who are experts in one or other particular line, to set up a system of appraisals for all merchandise in that line, to travel from port to port conferring with the local appraisers, helping to effect an equalization of appraisals throughout the whole Dominion. Three Dominion apraisers have already been appointed, one for dry goods, one for hardware and one for boots and shoes. Two or three additional appointments are shortly being announced, but the department is moving slowly for there is a sincere determination to choose able men. Recommendations as to the appointments are coming largely from the individual trades concerned. One of the three appointments already made has been criticized in the business press.

Equalizing Laid Down Costs

This supervision will doubtless be helpful to appraisers at the different ports in bringing into effect greater degrees of uniformity in classification for customs purposes throughout the country.

Large wholesale importers are interested and concerned in a system that will give the assurance that the same rates of duty are being applied at the same time on like goods at every port in Canada, for the reason that there is a sense of security in the knowledge that their laid down costs are equal.

These special Dominion appraisers, with their headquarters in the department at Ottawa, will keep in touch with the different rulings, circulars and memoranda sent out from time to time for the guidance of officers, and when visiting ports will have the opportunity of discussing with the apraisers and check clerks the different points covered, so that in turn they may be in the position to explain clearly and to the importers' satisfaction, the reasons why the latter are being asked frequently to amend their original entries, and pay additional duty.

Co-operation Between Ports

These methods, coupled with the assisting and directing of the appraisers and other customs officers as to the best ways and means of determining proper basic values for duty purposes, and carefully checking up any attempts at undervaluation, should add materially to the revenue, and at the same time bring about greater harmony between the honest importer and customs officers generally.

The bringing into effect the greatest possible degree of co-operation between the department and the ports, and also between the different appraisal divisions of the larger ports, is a matter which will receive attention. It is felt that in a large measure this can be accomplished by holding short conferences after business hours, before concluding their different visits. The appraisers, their assistants, and rating clerks, will have the opportunity of attending such conferences and of bringing up for discussion any question which may have given them trouble in the past, either in regard to value for duty or classification.

Customs Revenue Grows

Customs duties in the nine months to December 31, 1926, amounted to $106,512,517. In the nine months to December 31, 1927, the total came to $116,826,438, an increase of $10,313,921. Increased importations account for a large part of the increase but the greater efficiency of collection methods has been of great importance.

In these ways is efficiency being brought to the Department of Customs. In a further article, the improvements in administrative methods in the Department of Excise and in the Income Tax Branch will be discussed.

As Others See Us

Posting the S. E. P.

St. Catharines Standard.—The Saturday Evening Post is becoming almost obnoxious in certain well defined directions, to well-informed Canadians. It is a great paper, none can deny that, but it is not a fair paper to British interests. The articles of Marcosson are about the best published, but the least said about some of the other special writers, the better. The Post enjoys a very large circulation in this country. Probably it could afford to dispense with that circulation, but that is no reason why it should not seek the truth, tell the truth and be fair to the sensibilities of the Canadian people.

Canadian Products in the U. K.

Brockville Recorder-Times. — The Canadian business world will learn with a great deal of satisfaction, upon the authority of The Financial Post, that the Dominion Government has reversed its original intention not to advertise Canadian foodstuffs at the impending British Industries Fair in London, and that, at the instigation of the Hon. James Malcolm, the Minister of Trade and Commerce, Canada, will be adequately represented at that exhibition and, in all probability, at others of the same type which will be held from time to time elsewhere in the United Kingdom. The exhibition is to be made in co-operation with the Empire Marketing Board and the expense presumably will be borne by that body.

Why the government should ever have considered refraining from participation in the British Industries Fair, and why Canada should have been noticeably absent from similar displays which have been made during recent months in the Old Country is difficult to understand. The Empire Marketing Board, an organization financed by the British Government upon which Canada has a representative, was formed for the express purpose of promoting the sale in the United Kingdom of the products of the different Dominions and colonies. Throughout, its endeavor has been to discourage the consumption of foodstuffs of foreign origin and in their place to bring about a larger consumption of Empire-produced goods. To that end it has organized various displays and indulged in a great deal of advertising and other Dominions, notably Australia and New Zealand, find themselves in the possession of a growing trade as a result of these efforts. The British consumer is being gradually educated to extend a preference to Empire goods and the sales in the United Kingdom of such goods are, consequently, increasing.

There has never been any satisfactory explanation of why the Ottawa Government failed to take advantage of this golden opportunity to extend the distribution of Canadian products in one of the most important of Canada's export markets and why, when other Dominions and colonies have eagerly accepted the invitation extended by the Empire Marketing Board, Canada has held aloof. If the reported change of mind concerning the British Industries Fair represents a decision to co-operate hereafter with all of the publicity enterprises of the Marketing Board, it will be of great advantage to the exporters of the country and thus to the producers from whom they obtain their supplies.

At a time when the production of agricultural commodities is largely upon the increase in Canada and when every effort is being made to place a larger number of people upon the land this country cannot afford to neglect any opportunity to obtain an enlarged market for its surplus foodstuffs, and especially such an opportunity as is to be found in the different exhibitions in which the Empire Marketing Board is a participant.

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For Love or Money

Fort William Times-Journal

Once upon a time there was a young man who took a course in a Canadian agricultural college. Like a lot of young men, he found a line that interested him and followed it up. His specialty was dehorning apple trees. Study of the apple tree and experimental work in old orchards, which were supposedly worn out, showed him that, by the process of scientific pruning, he could restore an aged apple tree, renew its youth and give it back its bearing qualities. The young man was engaged by the department of agriculture to carry on his chosen work among the apple orchards of Canada. But it was not long before he was caught in the net of private enterprise, was paid big money for what he knew by United States capitalists and transferred his talents to another allegiance.

The question is whether the young man was to blame, or the government which lost his services, or the mean capitalists who bought them. He started out with a love of a certain branch of work and learned and practised it in Canada. Should his loyalty to Canada and his love of his work here have been strong enough to repel the temptations of the money from across the line? Or should the government for whom he was working have come forward and offered him as much, in order to retain his services for Canada?

If private interests could afford to pay an attractive wage for having their orchards restored, it might be argued that the work of restoring the orchards of a whole province should have been worth just as much. The work would not have put cash into the coffers of the government, but it would have added to the agricultural wealth of the country as a whole.

Research workers are being sought for by industry and are being trained in our colleges and universities. They are employed by governments in the class of research in which they have been trained until such time as industry learns that they are doing good work and reaches out a long arm and grabs them.

Industry is not hampered by red tape. If a man is worth $10,000 a year to industry he gets it. A man who works for the government usually is listed on a civil service roll with an automatic increase of $100 a year, till a certain maximum is reached. A department would shock the civil service commission and shatter the system if it said that a man who was being paid $2,500 was worth $10,000 and should get it.

It may be quite possible for a man to love his work and glory in it, and yet yield to the temptation of a higher pay, especially when the work will be the same.

The Financial Post in urging that the promised aid to scientific research should be thorough and aggressive, quotes an incident that recently occurred in connection with research work on problems connected with grain.

When a party of members of the Winnipeg Grain Exchange visited the Dominion government laboratory at the Manitoba Agricultural college they were gratified by the work being accomplished. E. W. Kneeland, president of the Grain Exchange, relates that the grain men learned that the highest salary being paid in the laboratory was $2,800. He adds:

"In the name of wonder why cannot scientific men doing work of that kind be paid a salary sufficient to keep them and their children decently? The salaries in these cases should be doubled, and if they were that would not be too much. But candor is worth something, and no man should be expected to continue to work in that laboratory at his present salary a moment longer than he can make a little more money elsewhere. In all other respects the laboratory is well equipped.

This suggests a phase of the question that is important. Governments are traditionally extravagant and at the same time traditionally incapable of holding as high a percentage of their best men as do private companies. Salaries of $2,800 a year will not hold western Canada's grain research workers on the job.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post

WEEKLY REVIEW OF CONDITIONS

Conditions Favorable in Most Major Lines of Activity
Car Loadings Indicate Lower Level of Production
Foodstuffs in Storage Show Lack of Export Demand
Keen Competition Has Effect on Commercial Failures
Credit Situation Favorable for Business Expansion

IT IS too early to note any change in the general industrial situation. Conditions are favorable in most of the major lines of activity and in a few instances reactionary tendencies apparent in November and December have been less emphasized. In such industries which are seasonal in character, production has been on a comparatively high level.

As yet, statistical evidence of actual conditions has reported only last month's operations. The car loading statement for the week ending January 8th, therefore, is of more than ordinary interest. During that period, revenue freight loaded was less than in either of the corresponding periods of 1927 or 1926. The decline from 1927 amounts to about 10 per cent., and from 1926 approximately 6 per cent.

Examination of the returns reveal that the decrease proportionately is about the same in the East as in the West. The movement of commodities, however, shows a diversity of conditions not altogether seasonal in character. Both grain and grain products and livestock shipments are less than in 1927 or 1926. Lumber, pulp and paper, and miscellaneous also declined. On the other hand, the freight movement of coke, pulpwood is higher than in either of the two preceding years, while coal, and "other forest" products remain at about the same level. The most significant change in the freight movement is that of merchandise, which shows a falling off. Practically every week of 1927 recorded an increase over the corresponding figures of previous years.

Production Is Higher

It may be that production is exceeding domestic and foreign demands. Judging by the quantities of food conditions in storage at the beginning of the year, production of foodstuffs is beyond what the market can absorb. Basing the comparison on the five year average, there was more butter, cheese, eggs, pork, poultry, eggs, condensed milk, etc., in storage on January 1st, 1928. Supplies of beef, veal, mutton and lamb and lard, on the other hand, are smaller in quantity.

The rising volume of food stuffs has been in progress for several months. Lack of export orders has been the principal reason for the accumulation of stocks. The British market has failed to show any signs of activity since the spring of 1926, and from the present indications, it is not likely that extensive buying will be forthcoming from that source in the immediate future. There has been a better demand for dairy products from the United States, and this has had the effect of maintaining a good price for supplies.

Mass Production Helpful

Industrial production is on a different basis, as means of economies in mass production combined with the high wages which mass production makes possible, the purchasing power of the Canadian people has risen considerably. While estimates of per capita buying power in the past four or five years vary according to the basis of compensation, all agree that it is increasing substantially from year to year.

Curiously enough a large part of the increased production has been bought and consumed within the Dominion, which would not have been possible if our individual purchasing power had not been increased through higher wages and lower costs.

There is every reason to believe that this increased per capita production will be maintained. Once mass production gets fairly started in a branch of industry, all others in that industry, except those making specialties, must adopt mass methods if they are to continue to compete.

Distribution, however, is nowhere nearly so scientifically organized as is production. While production costs are being constantly reduced, the spread between the cost of production and the price the consumer pays is wider to-day, on the average, than it was two or three decades ago. This does not mean that retailers are making undue profits, as the small storekeeper and the department store are only making a small net profit on sales.

Keen Competition

Waste in the distribution of goods and keen competition are the principal causes. The former is being overcome by centralized buying, but there is still room for improvement. As for the latter, it is becoming difficult for the small merchant or manufacturer to compete with the large company whose buying of materials and sales run into several millions of dollars yearly.

Thus, there has been an increase in the number of commercial failures reported under the bankruptcy act, although the amount of indebtedness is less. According to the Government's record for the eleven months ended November 30th last, failures numbered 1,652 and liabilities in connection therewith $27,983,513, as compared with 1,602, and indebtedness of $28,247,574 in the corresponding period of the previous year. The record of the past year is one of the best since 1922.

Credit Is Ample

While interest rates have tended to tighten up in the past month, the prevailing credit situation is of an encouraging nature. Bank leaders in their recent annual statements have stressed the consequences of over speculation, and it may be that advances to brokers will be held in check until operations on the stock markets become more rational.

There is plenty of money available for corporate purposes. New bond and stock issues in the past eighteen months have been quickly absorbed, most of the distribution being for long-term investment. Despite the increase in capital issues, the amount of money on deposit in the savings bank continues to increase; banks are finding it increasingly difficult to place their money; and there is every reason to believe that the interest rates will continue at present on lower levels for some time to come.

Real progress has been made in the solution of the wheat rust problem of Western Canada, Dr. J. B. Harrington, of the University of Saskatchewan, told the Saskatchewan Agricultural Societies' Association convention.

Gold mining operations in Nova Scotia reached a high mark of activity in 1927.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest 1927	Latest 1926	To Date 1927	To Date 1926
Pig iron, tons (Nov.)	37,989	52,345	646,500	683,532
Steel, tons (Nov.)	80,730	54,311	811,390	718,395
Newsprint, cwts. (Dec.)	181,600	163,177	2,086,949	......
Automobiles (Nov.)	6,617	9,828	175,991	197,340
Boots and shoes, pair (Nov.)	1,408,979	1,525,739	16,319,997	15,999,256
Flour, bbls. (Nov.)	2,120,116	..(3 mos.)	6,810,910	6,998,727
Construction—				
Contracts awarded (Dec.)	$36,682,000	$13,728,800	$418,951,600	$372,951,600
Building permits (Nov.)	$12,849,089	$9,975,451	$173,707,177	$144,877,789
Labor—Employment index			103.4	98.4
Transportation—				
Car loadings (to Jan. 7, 1928)	10,685	12,338	......	......
C.P.R. gross (Nov.)	$21,993,751	$21,524,116	$182,378,500	$180,233,610
C.P.R. net (Nov.)	6,375,794	6,749,723	37,842,404	43,328,944
C.N.R. gross (Nov.)	$23,699,965	$23,501,587	$243,408,396	$240,213,168
C.N.R. net (Nov.)	6,777,333	7,191,257	40,118,930	44,334,776
Elec. Power—Generated—Thousand kil. hours	1,082,126	1,015,119	11,026,118	10,129,503
Population—				
Emigration (Oct.)	7,962	.....	107,141	......
Immigration (Nov.)	5,904	7,721	*124,362	*108,620
Trade (Nov.)—				
Imports	$94,311,888	..(12 mos.)	$1,085,630,230	$1,003,485,204
Exports	153,118,713	..(12 mos.)	1,226,481,091	1,305,715,729
Imports of key products (Nov.)—				
Rubber, lbs.	4,292,041	..(12 mos.)	58,123,868	46,265,412
Cotton, lbs.	11,986,796	..(12 mos.)	133,550,734	137,544,744
Sugar, cwt.	657,799	..(12 mos.)	9,836,667	11,275,929
Petroleum, gals.	64,977,787	..(12 mos.)	806,310,451	675,856,465
Coke, tons	75,468	..(12 mos.)	780,595	1,052,087
Exports of key products (Nov.)—				
Newsprint, cwt.	3,599,372	..(12 mos.)	37,381,429	34,254,360
Automobiles, pass. (No.)	2,403	..(12 mos.)	42,879	54,434
Wheat, bush, (Nov.)	52,805,237	..(4 mos.)	98,502,855	94,636,274
Wheat Flour, bbls.	1,149,474	..(4 mos.)	3,239,304	3,296,012
Finance—				
Failures, number	.....	.....	1,993	2,085
Failures, liabilities	.....	.....	$25,846,247	$27,414,401
Bank Debits (Nov.)	$4,150,724,796	$2,915,658,907	$31,839,425,196	$27,514,880,175
Bond Sales (Dec.)	$16,711,620	$13,026,009	$617,114,900	$573,229,879
Stock prices index (Jan. 7, '28)	....	....	597.3	229.3
Insurance sales (Nov.)	$44,935,000	$44,251,000	$453,539,000	$424,283,000
Wholesale prices (1913-100)—				
General Index (Nov.)	....	....	152.2	151.4
Iron	....	....	141.4	145.7
Cotton	....	....	165.7	106.5
Grains	....	....	163.1	158.0
Cattle	....	....	127.1	91.7
Rubber	....	....	60.9	64.8

*8 months.

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J. S. DENNIS, Chief Commissioner, Montreal, Que.

Canada May Start Steamship Services With Latin-America

Dominion Contemplates Establishment of Steamer Lines Between This Country and Nations of Central and South America

Establishment of steamship services between this country and the nations of Central and South America, is under consideration by the Department of Trade and Commerce with a view to extending Canada's trade with the Latin-American countries.

A Canadian trade commissioner's office will be established at Lima, with jurisdiction over Peru, Bolivia and Equador and the department further proposes to provide the newspapers in that territory with a constant stream of constructive news from Canada.

This move upon the part of the Department of Trade and Commerce follows the recent trip of the Deputy-Minister to South and Central America, Mexico and Cuba, during which he visited practically all the principal trading ports and countries with which the Dominion has trading relations.

That this market is important and justifies further intensive development is evident by the trade returns of recent years. In each of the past five fiscal years Canada's import and export trade, with Central and South American countries has aggregated over $50,000,000 a year.

Most of this trade has been conducted with Argentine, Brazil, Cuba and Mexico. Of these Argentine is the most important, trade with that country in the twelve months ended November 30, 1927, totalled $19,500,000. Cuba is next on the list, followed by Brazil and then Mexico.

Analysis of the returns show that practically the full value of imports is represented by sugar of various grades. Canadian products shipped to that market, on the other hand, are principally potatoes, wheat flour, dried fish, condensed milk, etc. Raw hides and skins constitute the leading import item from Argentine, and manufactured rubber, farm implements and machinery, sewing machines and automobiles and parts, the main products purchased from Canada.

Trade with Brazil is practically confined to one item, coffee, of which we import nearly $2,000,000 worth yearly. A large number of products are shipped to that market from Canada, including wheat flour, fish, automobiles and parts, sewing machines, and copper wire and cable. Canada buys from Mexico green coffee, sisal grass, and crude petroleum, and ships to that country, among other products, wheat, manufactured rubber, paper, calcium carbide and soda compounds.

So far trading relations with Chile, Peru, Uruguay, Colombia, Paraguay and Venezuela have not been extensive, but it is hoped through closer co-operation to enlarge those markets to a point where it will be profitable to operate a direct service between Canadian and South American ports.

Commercial Mortality Decreases in Canada

Commercial mortality in Canada, as judged by the records of R. G. Dun & Co., has shown a decline in each of the past five years. Returns for the year 1927 disclose 2,182 defaults, involving $34,461,595. These totals compare with 2,196 insolvencies in the previous year with an indebtedness of $37,082,882 the numerical decrease last year being 0.6 per cent. and the decline in liabilities slightly exceeding 7 per cent.

It is significant that the number of failures for the past year was the smallest of any year since 1920 and this is also true of indebtedness. From the high point of 3,695 defaults for $78,068,959 established in 1922, the latest returns show a numerical reduction of about 41 per cent. and a contraction in liabilities of nearly 56 per cent.

Ontario, Manitoba, Nova Scotia and New Brunswick reported a smaller number of failures than in 1926, the decrease ranging from 6 in Manitoba to 45 in Ontario. Relatively the best showing was made by Nova Scotia, with a falling off of 24 per cent. In point of indebtedness smaller amounts were recorded last year in British Columbia, Ontario, Nova Scotia, Newfoundland and Manitoba, varying from about $225,000 in Newfoundland to approximately $2,900,000 in Ontario.

Particulars of the commercial failure situation in the past three years follow:

	Number 1927	Number 1926	Number 1925	Liabilities 1927
Newfoundland	28	24	34	$ 284,154
Prince Edward Island	6	3	6	30,932
Nova Scotia	57	75	91	602,624
New Brunswick	52	63	64	776,579
Quebec	869	864	956	16,684,868
Ontario	636	681	625	10,063,490
Manitoba	180	186	220	2,007,921
Saskatchewan	129	110	160	1,100,025
Alberta	78	66	98	754,250
British Columbia	147	124	127	2,154,752
Total for 1927	2,182	2,196	2,371	$34,461,595
Total for 1926	2,196	....	....	37,082,882
Total for 1925	2,371	....	....	45,767,825

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THE ROAD OF TRAVEL LUXURY

EXCELLENT CROPS INCREASE VALUE OF ALBERTA LAND

Since June, 1927, Land Values Have Enhanced Considerably

Farm land values in Alberta have advanced upward in the past year on account of excellent crops. Increases have been limited to the ability of the land to raise good crops.

Since June, 1927, land values in the better districts have increased on the average by ten per cent., while in districts where the crops have been specially good and the number of new settlers large, the increase has amounted to 20 per cent. This is particularly true of the Peace River district, where the value of good farms, reasonably close to transportation, has increased more than in any other part of the province.

The increase in prices has been most noticeable in the good crop districts for the average land purchaser has become more discriminating and the spread in price between poor, medium and good soil is steadily increasing. Several sales of improved farms in the Fort Saskatchewan district have been made at prices exceeding $60 an acre and other districts report higher prices than heretofore although the war-time records have not been reached.

The land settlement branch of the department of immigration has disposed of 84 quarter sections since June, 1927, and since some of the parcels have been on the hands of the board for some time, it furnishes clear evidence of the better feeling now existing.

An analysis of the general sales all over northern Alberta show that most of the farms bought have been purchased by surrounding farmers which are now financially able to round out their holdings, and who recognize that land is again a good investment. There have also been a number of sales to American farmers. The lower price bush farms at some distance from the railway, which do not usually attract the American farmers, are all in active demand by farmers of European extraction, and by Continentals who have arrived during the past two or three years.

Business Conditions in United States

Business in the United States during the week ended January 7, as measured by figures on check payments, was substantially greater than in either the previous week or the corresponding week of 1927, according to the weekly statement of the Department of Commerce.

Weekly Business Indicators
(Relative numbers, average 1923-25=100)

	1927 Dec. 31	1926 Dec. 25
Bituminous coal production	81.3	107.6
Lumber production	57.3	75.9
Beehive coke production	33.5	59.6
Petroleum production (daily av.)	116.2	113.3
Freight car loadings	....	80.1
Building contracts (37 states) daily average	82.1	69.0
Wheat receipts	59.7	50.2
Cotton receipts	125.4	203.5
Cattle receipts	52.0	71.5
Hog receipts	78.9	78.7
Price No. 2 wheat	....	....
Price cotton middling	73.9	47.8
Price iron and steel composite	84.7	92.1
Copper, electrolytic, price	100.0	95.7
Fisher's price index	93.4	94.3
Bank loans and discounts, total	123.5	115.5
Debits to individual accounts	104.5	126.7
Interest rates, call money	133.3	136.4
Business failures	103.9	120.6
Stock prices	186.8	145.2
Bond prices	110.9	107.4
Interest rates, time money	97.1	105.7
Federal reserve ratio	86.2	88.9

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NEW ISSUE

$4,000,000

Donnacona Paper Company, Limited

6% Twenty-Year Gold Debentures, Series "A"

To be dated February 1st, 1928, maturing February 1st, 1948. Principal and semi-annual interest (February 1st and August 1st) payable in Canadian gold coin or its equivalent, at the Bank of Montreal, Montreal, Quebec, Toronto, Halifax, Saint John, Charlottetown, Ottawa, Hamilton, Winnipeg, Calgary, Regina, Vancouver or Victoria; or, at the option of the holder, in United States gold coin or its equivalent, at the Agency of the Bank of Montreal, New York, or in Sterling at the Bank of Montreal, London, England, at the rate of $4.86 2/3 to £1. Coupon Debentures, denominations $1,000 and $500, with privilege of registration as to principal. Redeemable as a whole or in part, at the option of the Company, on 60 days' notice at a premium of 5% up to and including February 1st, 1929; thereafter at a premium of 5%, less ¼ of 1% each year up to and including February 1st, 1947, and thereafter until maturity without premium; in each case with accrued interest. Trustee: Montreal Trust Company, Montreal.

CAPITALIZATION

	To be Authorized	To be Outstanding
First Mortgage Sinking Fund Gold Bonds, due 1948	$12,000,000	$7,000,000*
Twenty-Year Gold Debentures, due 1948	6,000,000	4,000,000†
Common Shares (no par value)	200,000 shares	150,000 shares

* of Series "A", 5½%.
† of Series "A", 6%.

Each $1,000 Debenture of Series "A" will carry a non-detachable right entitling the holder to purchase 2 shares of no par value Common Stock of the Company at $40 per share up to and including February 1st, 1930; at $45 per share up to and including February 1st, 1932; and at $50 per share up to and including February 1st, 1934. Should termination of rights be brought about through redemption of Series "A" Debentures or otherwise, this stock purchase right may be exercised within the period provided in the indenture.

Descriptive circular, copies of which will be supplied upon request, contains a letter from Mr. Robert P. Kernan, Vice-President of the Company, from which he summarizes:

THE COMPANY: Donnacona Paper Company, Limited, is being incorporated under the laws of the Province of Quebec to acquire as a going concern the assets and undertaking of the Company of the same name, which for fourteen years has been successfully engaged in the manufacture of newsprint paper at Donnacona, Quebec.

PROPERTIES: Properties which will be owned or controlled by the Company include a complete newsprint paper mill of 230 tons daily capacity, with necessary groundwood and sulphite plant, situated at the junction of the Jacques Cartier and St. Lawrence rivers, about thirty miles west of the City of Quebec; freehold and leasehold timber areas in the Province of Quebec—principally on the watershed of the Jacques Cartier River—estimated to contain approximately 5,400,000 cords of pulpwood; developed water powers of 11,000 horsepower installed capacity, of which 6,200 horsepower is hydro-electric and 4,800 horsepower is hydraulic; undeveloped water powers having an estimated capacity of 35,000 horsepower; and the townsite of Donnacona, comprising hotel and school house, houses for employees, etc., situated on the Montreal-Quebec main highway.

VALUE OF ASSETS: The value of mill properties and water powers, developed and undeveloped, freehold and leasehold timber lands and other fixed assets owned or controlled by the Company is estimated to be approximately $14,000,000.

Net current assets of the Company and of its subsidiaries as at November 30th, 1927, after deduction of current liabilities and after giving effect to this transaction, as certified by Messrs. Sharp, Milne & Co., Chartered Accountants, amounted to $1,624,273.46.

The consolidated value of fixed and net current assets combined, adjusted as at November 30th, 1927, therefore, amounted to $15,624,273.46, which, after deducting $7,000,000 of 5½% First Mortgage Bonds to be outstanding, leaves a total value of assets of $8,624,273.46—equivalent to $2,156 per $1,000 Debenture.

EARNINGS: Based on the annual earnings of the predecessor company, and its subsidiaries, after deducting operating and maintenance expenses and local taxes, and available for interest, depreciation, etc., for the three years ended December 31st, 1926, as certified by Messrs. Sharp, Milne & Co., the average annual net earnings available for bond and debenture interest amounted to $1,087,461.28, equivalent, after deducting interest on First Mortgage Bonds now to be outstanding, to more than 2.92 times the annual interest requirement of $240,000 on this issue of Debentures.

Net earnings on the same basis for the eleven months ended November 30th, 1927, are certified by Messrs. Sharp, Milne & Co., as $930,582.15.

OWNERSHIP AND MANAGEMENT: Through a substantial cash investment, the controlling interest in the Company's common shares will be owned by Price Brothers & Company, Limited, of Quebec, and associates.

Price Brothers & Company, Limited, is one of the oldest and largest manufacturers of newsprint paper in Canada, and its preferred and common shares, which are listed on the Montreal and London stock exchanges, have a total market value as evidenced by current quotations in excess of $40,000,000.

Directors of the Company will include the following: John H. Price as President, J. L. Apedaile as Vice-President, and W. G. Mitchell, R. H. Nisbet and A. C. Price, all of whom are officers of Price Brothers & Company, Limited; W. C. Pitfield, Director of Fraser Companies, Limited; Victor E. Mitchell, K.C., D.C.L., Director of Abitibi Power & Paper Company, Limited; and Robert P. Kernan as Vice-President of the Company.

We offer these Debentures for delivery if, as and when issued and received by us, and subject to the approval of counsel of all proceedings, at—

99½ and accrued interest, to yield about 6.05%

Royal Securities Corporation, Limited

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The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Pulp & Paper

Abitibi-Spanish Merger is Accomplished Fact

Over 97 Per Cent. of Common Shares of Subsidiaries Has Been Turned in for Exchange Into Abitibi Stock

From Our Own Correspondent

MONTREAL.—The Abitibi-Spanish and associated companies merger has been successfully concluded; over 97 per cent. of the common shares of the Spanish River Pulp and Paper Mills; Fort William Paper Company; Manitoba Paper Company; Ste. Anne Paper Company; and Murry Bay Company has been turned in for exchange into Abitibi stock.

L. R. Wilson, president of the Canadian Pulp and Paper Association and vice-president and managing director of Abitibi, will continue as managing director of the enlarged merger company; no change in the personnel of the different subsidiaries is contemplated.

The fact that all but an insignificant proportion of the common stocks of the new subsidiary companies has been turned in for exchange into Abitibi Power and Paper shares, clears the way for the completion of the final details of the merger. An offer to the preferred shareholders of Spanish Pulp and Paper Mills should, therefore, be forthcoming shortly. The Abitibi Power and Paper, though, under the merger agreement, need not formally accept the common shares of its new subsidiaries until February 1, but the announcement by Alexander Smith, president of Abitibi, that 97 per cent. of the shares had been deposited indicates conclusively that there will be no hitch in the merger plans.

New Split Shares

Very shortly, the new split shares of the Abitibi Power and Paper will be traded in on an if, as and when basis. The present shares of Abitibi are to be split two for one and the new stock goes on its $4 per share annual dividend basis, dating from January 1.

So Abitibi is now the largest newsprint company in the world; it has a yearly capacity of 650,000 tons which amounts to between 2,100 and 2,200 tons daily, or well over 25 per cent. of the installed capacity of all Canadian newsprint mills which is 8,500 tons daily. Also, the company is the largest holder of timber limits in the world. Its cutting rights cover some 30,000 square miles. The total installed capacity of its waterpower is 190,000 horsepower, but undeveloped water sites indicate a total capacity of 500,000 horsepower.

The largest tonnage brought into the merger is that of Spanish River Pulp and Paper Mills which, with its three separate units, produced upwards of 700 tons daily. Abitibi, at Iroquois Falls, in its single newsprint mill, has a capacity of over 525 tons daily. The average output of the other four mills will run well over 200 tons daily. In addition, Abitibi brings into the consolidation the Abitibi Fibre Company, a producer not of newsprint but of sulphite pulp, that formerly operated under the name of Mattagami Pulp and Paper Co.

Basis of Exchange

The basis of exchange, which, as the official statement declares, has been accepted by upwards of 97½ per cent. of the stock outstanding, gives two shares of new Abitibi no-par common for each share of Abitibi and Spanish River common now held. The quantities arranged for the other companies are graded down, dependent on their earnings power and present development to a large extent. Thus, the proved producers and earners for years back, Abitibi and Spanish River, receive much larger portions than the others. The Fort William Power shareholders receive share for share; Manitoba Paper Company 18-25ths of one share; Ste. Anne 9-10ths of one share, and Murray Bay, now being built, only one-half of one share of the new stock for each share of its own. Dividend payments also are adjusted. Abitibi and Spanish River starting immediately, and the others at six month intervals, up to January 1, 1930.

Canadian Newsprints Show Decided Decline for December Output

Mills Operated at 82.2% of Capacity — U.S. at 80.9%

STOCKS ARE HIGH

In 1927 Dominion Produced 205,212 Tons Over 1926, But U.S. Was Less

From Our Own Correspondent

MONTREAL.—The output of the Canadian newsprint mills for the month of December showed a decided decline as compared with November. The Newsprint Service Bureau reports that the Canadian mills operated at 82.2 per cent. of their capacity while the U. S. mills operated at 80.9 per cent. of their rated capacity. This compares with 86.1 and 78.7 per cent. respectively in the preceding month. The satisfactory feature of the situation is that stocks on hand at Canadian and U. S. Mills at the close of December were 58,994 tons as against 66,617 tons in the preceding month.

The following figures show the production of Canadian and U. S. mills month by month during the year just concluded:

1927	Canadian	U.S.
December	181,600	119,312
November	190,293	117,222
October	191,171	114,675
September	178,815	114,735
August	180,175	127,129
July	162,564	118,929
June	170,590	125,284
May	171,819	127,395
April	166,460	130,236
March	174,094	133,731
February	150,773	121,318
January	161,724	135,755
1927 year	2,086,949	1,485,495
1926 year	1,881,737	1,684,218

From the foregoing figures it will be seen that during the year just concluded the Canadian mills produced 205,212 tons more than in 1926, whereas the U. S. mills produced 198,723 tons less. Coupled with the general trend in the figures it will be seen that whilst the Canadian output has shown a more or less steady growth since the beginning of the year, the U. S. output has declined.

While the figures represent production, they also pretty well represent consumption for little paper is stored. When the demand falls off, the mills reduce production. From the figures it will be seen that the consumption in 1927 was only fractionally larger than in the preceding year. The total production figures of the North American continent including Mexico and Newfoundland for 1927 were 3,789,433 tons as against 3,765,838 tons—an increase which can really be classed as less than fractional. The fact that the demand has not increased and that the capacities of the Canadian mills have been so largely augmented in 1927, has resulted in the present depression existing throughout the industry.

It may be that 1928 will again witness no increase in the demand for newsprint due to the general spotty business conditions prevailing in the States. But as far as the outlook for the current year is concerned there is a satisfactory feature in the history of newsprint consumption, namely, that to date, when consumption has remained stationary or fallen off in any one year, always in the second year there has been an increase in the demand.

Forgetful Holders May Get Clemency

From Our Own Correspondent

MONTREAL.—Some of the holders of Spanish River common shares forgot to, or neglected to turn in their stock for exchange into new Abitibi shares. Realizing that the last date for the exchange, namely, December 31 last, was past, some of the shareholders rushed their shares to the trust company which is handling the exchange, but the Spanish shares were returned with the statement that the trust company had no instructions to receive stock delivered after December 31. It is understood, however, that if the Spanish River common shareholders forgot to turn in their stock, deliver the shares direct to the Abitibi Power and Paper Co. consideration may be given them in due course.

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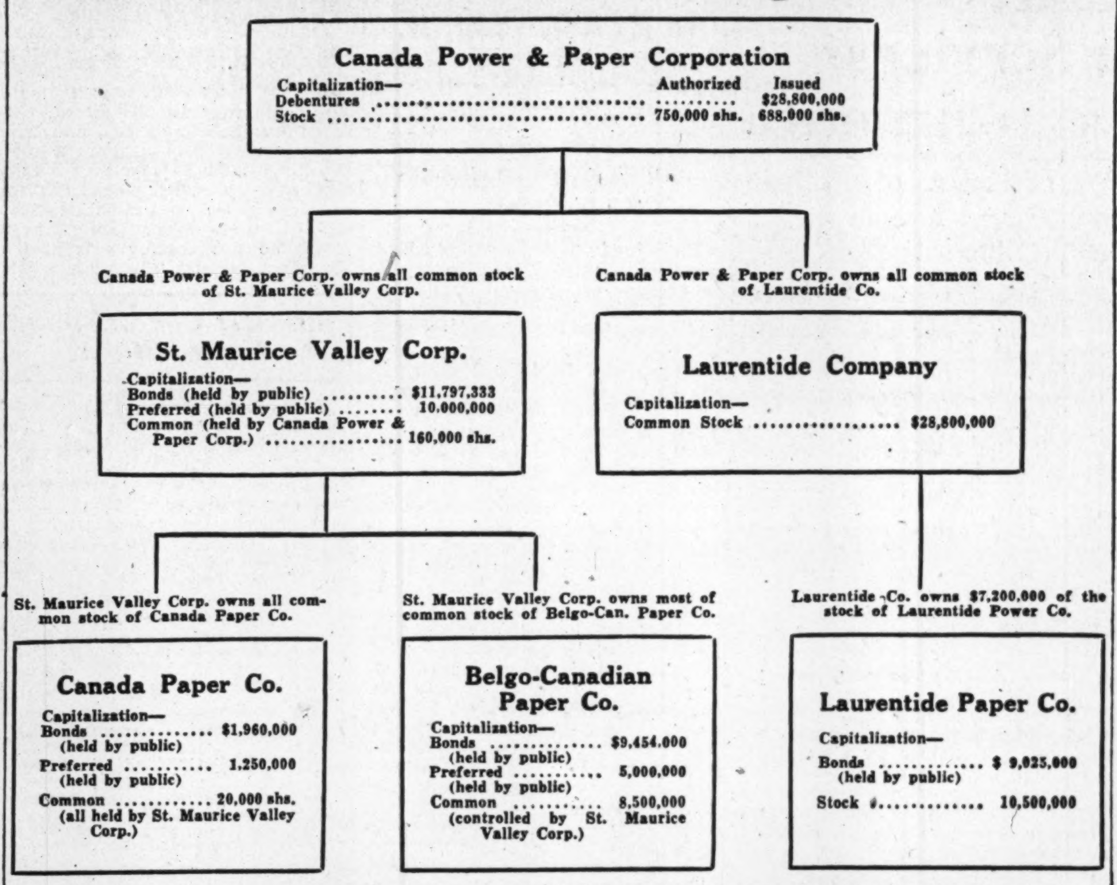
How Laurentide-St. Maurice Merger Will Look



Canada Power & Paper Corporation
Capitalization— Authorized Issued
Debentures $28,800,000
Stock .... 750,000 shs. 688,000 shs.

Canada Power & Paper Corp. owns all common stock of St. Maurice Valley Corp.

Canada Power & Paper Corp. owns all common stock of Laurentide Co.

St. Maurice Valley Corp.
Capitalization—
Bonds (held by public) $11,797,333
Preferred (held by public) 10,000,000
Common (held by Canada Power & Paper Corp.) .... 160,000 shs.

Laurentide Company
Capitalization—
Common Stock $28,800,000

St. Maurice Valley Corp. owns all common stock of Canada Paper Co.

St. Maurice Valley Corp. owns most of common stock of Belgo-Can. Paper Co.

Laurentide Co. owns $7,200,000 of the stock of Laurentide Power Co.

Canada Paper Co.
Capitalization—
Bonds $1,960,000
(held by public)
Preferred 1,250,000
(held by public)
Common .... 20,000 shs.
(all held by St. Maurice Valley Corp.)

Belgo-Canadian Paper Co.
Capitalization—
Bonds $9,454,000
(held by public)
Preferred 5,000,000
(held by public)
Common 8,500,000
(controlled by St. Maurice Valley Corp.)

Laurentide Paper Co.
Capitalization—
Bonds .... $ 9,025,000
(held by public)
Stock 10,500,000

St. Maurice-Laurentide Enter Into Partnership

Fusion Will Work Under Name of Canadian Power and Paper Corporation—New Debenture Holders Will Have Larger Assets Behind Them

From Our Own Correspondent

MONTREAL.—The St. Maurice Valley Corporation and the Laurentide Company are to enter a partnership under the name of the Canada Power and Paper Corporation, for the deal between the two companies is more in the nature of a partnership than a merger.

Laurentide shareholders get one new 5½ per cent. debenture, plus one new share of common stock in the Canada Power and Paper Corporation. Thus the amount which the new Corporation will pay out annually in interest and in dividends will be marginally less than a year ago. While Laurentide shareholders will have their annual revenue reduced, the new debentures will have much larger assets behind them; this compensates for the reduction of the rate from 6 to 5½ per cent. It appears probable that the new common stock of the Canada Power and Paper Corporation will not pay dividends—at least for some time. At the same time, there has been some talk of a more or less immediate dividend on the shares.

Common shareholders of the St. Maurice Valley Corporation get two and one half shares of the new company for each share held. The control of the Canada Power and Paper Corporation will rest in the hands of those at present controlling the St. Maurice Valley Corporation. Laurentide shareholders will get 288,000 new no par value shares and the St. Maurice Valley shareholders will receive 400,000 shares, making a total of 688,000 shares outstanding of an authorized capitalization of 750,000 shares. The chart accompanying this article shows the complete financial picture of the new merger company. Shareholders of Laurentide though, can perhaps obtain the best idea of the equity behind the debentures which they will receive by remembering that such debentures are a first charge on Laurentide and its subsidiary and also a first charge on the 160,000 shares of no par value common stock of the St. Maurice Valley Corporation. At $85 a share, the present market value of the stock of St. Maurice Valley, the common stock equity in the company amounts to $13,600,000.

To put the matter the other way round, then, Laurentide shareholders in taking debentures in exchange for their stock will forego one-half of one per cent. annually, but will have their securities increased in the estimation of the stock market by almost 50 per cent. and in addition, will receive new common stock which will entitle them to participate in future earnings of the company.

The Laurentide shareholders seem to have fared well in the deal, but so has the St. Maurice Valley Corporation as the merger will certainly yield large savings in economies in operation for Belgo, Laurentide and the St. Maurice Valley plants are all located on the St. Maurice river. The St. Maurice Corporation in addition to being a holding company, also operates the St. Maurice plant at Cap Madeleine, near Three Rivers.

Laurentide shareholders who held the stock as a speculation will probably sell their new debenture holdings. Shareholders, who held the stock as an investment, will likely sell their new common stock and re-invest it in interest paying securities. So both types of stockholders in the Laurentide will be satisfied with the deal.

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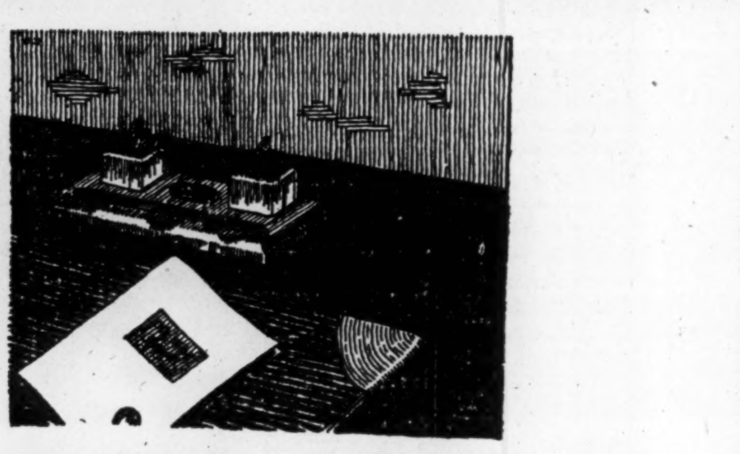

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HOWARD SMITH PAPER MILLS LIMITED
MONTREAL, CANADA

PINE FALLS OWNS FULLY EQUIPPED NEWSPRINT MILLS

35,000 Tons of Newsprint Have Been Produced Since Feb., 1927

On February 5, 1927, the first car of Manitoba paper was shipped from Pine Falls to Manitoba Free Press. Since then there have been produced 35,000 tons of newsprint from the pulpwood resources of the province, says the Free Press in a recent issue. All the pulpwood used to date and on hand has been purchased in the Province of Manitoba from settlers and small jobbers.

There is now in operation at Pine Falls a fully equipped newsprint mill with two paper machines of the most up-to-date models. The machines are among the largest made, 226 inches wide and capable of running 1,200 feet per minute and producing, when operating at full speed, 300 tons of newsprint per day. Eighty per cent. of the paper produced is exported to the United States.

The mill at Pine Falls is operated by the Manitoba Paper Company, whose officers are: president, W. N. Hurlbut; vice-president, George R. Gray; secretary, B. W. Thompson; treasurer, Allan W. MacBeth; assistant treasurer, W. G. Harbottle; superintendent, J. F. Thibedeau, and general manager, C. C. Irvine.

The payroll of the company for 1927 amounted to $800,000. This figure is in addition to the contractors construction payrolls. The normal staff engaged in the company's operations in Pine Falls itself is now approximately 400.

Construction of the mill, town and railway has been no small undertaking. The actual construction was begun in October, 1925. In January, 1926, twenty miles of railway between Beaconia, on the Canadian National Railways, Grand Beach Line and Pine Falls, were completed. By the end of the year most of the concrete construction of the mill was finished and by November 1, 1927, work was completed on the mill and townsite. The construction of Pine Falls is another demonstration of the possibility of winter building by a firm of enterprise, even in the face of the rigorous weather conditions of Manitoba.

Townsite Built This Year

In 1927 the building of the townsite was more spectacular if not actually more important than the construction work in the mill. Thirty-four additional residences were erected, bringing the total up to 110 modern dwellings. A five-room school with up-to-date chemical laboratory, was completed at a cost of $42,000.

COMMON STOCK OF INTER. PAPER EARNS APPROVAL

Shares Are Listed Among Attractive Speculative Investments

International Paper is included by the Magazine of Wall Street as among the common stocks listed on the New York stock exchange, which are attractive speculative investments for the current year. The journal says:

The spectacle of a stock selling in the seventies and barely earning its dividend of $2.40 per annum is not on the surface prepossessing, but conditions governing the status of International Paper are decidedly unusual, and it cannot be judged by ordinary standards. It is, of course, selling primarily on future prospects, but it is a case where such prospects are pretty clearly defined and reasonably certain to eventuate sooner or later, the principal question being in respect to the amount of time required. The shares have already shown evidences of potential market leadership, and its long term trend of activity should be on a continually rising scale pending the development of substantially greater earning power.

A few years ago, following the sharp reversal in earnings incident to the termination of war-time conditions, the company instituted revolutionary changes in its physical structure, at the same time embarking upon a comprehensive expansion program, and is still undergoing a protracted period of transition. It stands to-day as the largest paper manufacturer in the world, with newsprint the predominant product. Newsprint plants are now all transferred to Canada in order to take advantage of the greater raw material facilities. In addition to the increase in scope of manufacturing operations, expansion has taken other forms which are in line to become an important source of added profits, principally in connection with extensive water power development and the ownership of vast areas of timber lands.

Overproduction of newsprint has been a handicap in the development of larger earnings and will most likely continue to be a factor for some months yet, although low prices will be offset to some extent by the constantly increasing earning power in other branches of the business. International Paper is approaching a stage where tangible returns from property expenditures are likely to manifest themselves on an increasingly larger scale.

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St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
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CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
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LIMITED
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Kraft—Newsprint—Lumber
BATHURST NEW BRUNSWICK

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Corporation
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

The Laurentide Company
LIMITED
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Brit. Amer. Oil

Will you kindly give me your views on British American Oil?

British American Oil always has been a satisfactory investment. The oil companies in Canada do a good business. These are the two main favorable facts concerning this stock. There is little real information concerning the activities of the company vouchsafed the public.

Hiram-Walker

I would be glad to have your opinion of Hiram Walker.

The outlook for the stock of Hiram Walker-Gooderham and Worts, Ltd., is highly attractive in our estimation for any purchasers who are in a position to take some speculative chances. The earnings of the company are reported to be excellent and we believe that continuous progress will be evident.

Building Products
Inter. Petroleum
J. S. Mitchell & Co.

I would appreciate it if you would let me have the name of two or more common stocks which you would recommend for a hold of six to twelve months. I would prefer that these be in the lower priced stock, say $60 or under.

The above mentioned are companies making progress and we think that you will find the investment satisfactory, unless something occurs which will delay prospective prosperity of Canada.

P. Burns & Co.

I should be glad of your opinion on this stock.

In our opinion P. Burns & Co. is a sound organization engaged in an essential industry. The company is excellently managed and we do not think that any investor in the company has any cause to worry. You may be interested to recall that P. Burns & Co. was the only large packer in Canada which came out of the post-war depression era without suffering great losses. The big packers in Chicago suffered greatly as well as the Eastern packers of Canada.

Cosmos.

Is there any reason for the drop in price of Cosmos and would you consider it a good buy at the price?

The probability that the directors have decided not to pay a dividend doubtless accounts for the recession in the market value of Cosmos Imperial Mills common stock. However, our information from reliable sources is that the long term outlook for this company is as good now as ever it has been. The fact that the directors have decided to conserve the cash resources of the company by refraining from paying a dividend at this time is rather to the advantage of investors who are willing to be patient.

Hayes Wheel

A broker friend of mine advises me to buy this stock for a speculation for either a quick turn or a hold. He says the plants are working at capacity, that earnings for 1927 will compare favorably with the $4.38 per share earned in 1926, and the $3.40 earned in 1925, that the company's liquid position is good, the management experienced and capable and that the stock is in line to go on a dividend basis of probably $2 a share. What is your opinion?

Our information is that the plants of Hayes Wheel and Forgings are working at about half their capacity. Our information, we think, may be somewhat more reliable than the information of your broker friend.

The long term outlook for the common stock of Hayes Wheel and Forgings is reasonably good. There is greater activity at the moment owing to the increase in production of the automobile companies now that the Ford secrets are visible. We do not profess to be able to give information as to when a quick turn may be expected in any stock, but if you bought this stock as an investment, you might find yourself at some time as having benefited from a so-called quick turn.

Montreal Cotton

I received as a present some shares of Montreal Cottons. I know nothing of the company. Should I continue to hold them?

Montreal Cottons is an old-established, sound and well-administered company. You can regard your holdings in the company as an investment and a very nice present, too.

Sherwin Williams

I intend holding Sherwin-Williams' shares more or less indefinitely. Is this a sound policy?

Sherwin-Williams is the dominant company in the Canadian paint industry. Some time the shares in this company will be split. At that time there may be a little further appreciation. It is an excellent company. You should hang on to the stock.

Windsor Hotel

What is the price of Windsor Hotel preferred? What do you think of this stock?

Windsor Hotel preferred stock can be purchased at around $90 a share. It looks to us to be a very satisfactory high yield business man's purchase. The company is ably managed and has kept the hotel successful despite competition. The success of the past should be maintained in the future, we believe.

Howard Smith

Is Howard Smith preferred a fair buy?

The earning power of the Howard Smith Paper Mills seems to be steadily increasing and therefore we believe that the preferred stock is a satisfactory purchase in its class. In 1926, the company earned after all charges, $414,835 against preferred dividend requirements of $127,926. Thus you will see there is a wide margin between earnings and dividend requirements.

Buying Bonds

A client of mine has been advised to buy: Hydro Electric Power Commission, 1957, 4's; Canada Cement, 1945, 5½'s; Canada Steamships, 1941 bonds, and Gatineau Power, 1956, 5's. Is this a good list?

We can hardly better the list of bonds which you have submitted to us. You have included a government bond, a sound industrial, a transportation company and a power bond. We think your client would be well advised to purchase these issues.

Canadian Canners

In your issue of December 30 you mention that all arrears on the first preferred have been paid up. I am unable to find any record of the second preferred stock and would be obliged if you would inform me when it was issued and its present market value, etc.

The capital structure of Canadian Canners, Limited, now comprises 6 per cent. cumulative first preferred, a second preferred stock of $1 maximum dividend non-cumulative, and common stock.

This capital structure was authorized by the shareholders at a special general meeting in Hamilton on December 20th last. The new stock has been listed on the Toronto Stock Exchange and there are now no trades in the old 7 per cent. preferred or the old common stock.

Details of the revision in the capital have been published already in The Financial Post.

Canadian Northern Power

As a business man's investment bringing in a satisfactory yield, I've been advised to buy Canada Northern Power preferred. Do you approve of this?

Canada Northern Power, as you are aware, controls the power situation in the growing mining districts of Northern Ontario and Quebec. The preferred stock looks like a satisfactory business man's investment to us, because we believe the company will experience a growth in the future. You must remember though, that it is dependent on mining for its earnings.

McColl-Frontenac

What is the present price of McColl-Frontenac preferred? What do you think of the preferred and common shares of this company?

McColl-Frontenac Oil preferred can be purchased at about 90. This is an interesting preferred stock purchase giving a satisfactory yield. It is suitable for a business man or for anyone wishing to increase the average yield from their holdings.

The common shares of McColl-Frontenac are a long hold purchase for a business man. The common is, of course, speculative but if held over a year or two we believe will show a satisfactory appreciation.

International Power

In a word or two would you sum up for me your ideas of the situation surrounding the preferred shares of the International Power Company, please?

International Power preferred appears to be a satisfactory investment for a business man. This company is a holding company only and its subsidiaries are scattered all over North, South and Central America. Generally speaking, the subsidiaries are not large properties; nevertheless, the diversification of the International Power Company's holdings makes the preferred issue the more attractive.

Wright Automobile

I have been urged to make an investment in the shares of the Wright Flexible Axle Automobile. But I shall not act until I hear from you.

We would strongly advise you to have nothing to do with either the Wright Flexible Axle Automobile or the salesmen who are endeavoring to place its securities. It is our forecast that the operations of the proposed company will result in nothing but failure with a loss to anyone who invests in the proposition. We would advise you also at the same time not to invest in the investment trust sponsored by those responsible for the Wright Flexible Axle Automobile.

Fraser Companies

I can't say as how I fancy keeping the new Fraser Companies common shares which I shall receive in exchange for my holdings of preferred. The dividend is very low. Shall I sell the works?

The new Fraser common does not look particularly attractive on a yield basis. Nevertheless, the company has made satisfactory progress in past years and with the large programme of expansion at present under way, we believe will no better in the future. You might retain some of the common stock and regard the shares simply as a long hold purchase for a business man which give indication of appreciating.

Canadian Celanese

I have benefited in a really remarkable way from your advice in the past. Reading your first issue in the year, I decided to take a crack at Canadian Celanese preferred as a speculation. It has a reasonable chance of coming through, has it not?

Canadian Celanese has not yet got into full production and of course, is not paying dividends on its preferred stock. Nevertheless, we believe the company will be successful and that earnings will be substantial just as soon as the company gets into full production shortly. The prefered stock therefore is speculative but it is none the less attractive for a business man who is willing to wait for his profit.

J. S. Mitchell

Following the remarks printed in your paper, I have purchased some of the shares of J. S. Mitchell and Company as an out and out gamble. This purchase, as a gamble, would meet with your approval, would it not?

J. S. Mitchell common, while it does not pay dividends, is nevertheless hardly to be classed as an out and out speculation. The company is doing a steadily improving business. It is extremely ably managed and it has a record of success extending back over many years. Thus, in our opinion, we believe that the next twelve months will show a satisfactory appreciation in the stock. We believe also that the next few months will see something in the way of a disbursement to the shareholders. The company is in an extremely strong financial position

Dominion Bridge

I am considering buying some Dominion Bridge stock as a more or less permanent hold. I should like to obtain an idea of the way you view such a purchase.

The shares of the Dominion Bridge Company are speculative for the future of the stock depends on the position of the construction industry throughout Canada. The company is doing an excellent business and we believe that profits will continue to increase. Nevertheless, the past has shown that the bridge-building industry in Canada is something of a feast or famine affair and both ups and downs of constructional activity in Canada are more than proportionately reflected in the market price of the stock. The company is in a strong financial position and during the current year we believe will increase its earnings. We think, though, that you would be well advised to regard the purchase of the stock in the light of a speculative buy for a business man.

Hiram Walker

Could you advise me when the "Rights" on Hiram Walker stock expired?

The "rights" on Hiram Walker stock expired December 14th.

International Power

Kindly give me your opinion of Inter. Power and Massey-Harris common.

The long term outlook for International Power and Massey-Harris common is reasonably good and we do not think that you would be making any mistake by retaining your holdings.

Sarnia Brewery

Kindly give me your views on Sarnia Brewery.

The Sarnia Brewing Company appears to be no better and no worse than any one of the number of smaller brewers which have been incorporated into public companies in the last year. This company may have some advantage in that it is in a position to benefit from the export market.

Over a term of two or three years the investment in this company may be satisfactory. It is understood that the brewers are getting a good price for their beer in Ontario at the present time.

Sea Sleds

In 1922 I gambled in 50 shares of Sea Sleds, Ltd., and still hold the interim stock certificate. Should I grieve about this further, or should I reconcile myself to the fact that "death ends all?" I congratulate you on your new format. Your success is indeed well deserved.

The Sea-Sled Company is not dead, but only sleepeth. Our advice to you is to take your stock certificate and place it in the bottom of your safety deposit box and forget about it for the next four or five years. There still remains a possibility that there may be some profits. Definitive certificates have never been issued by the company.

As we understand it, the present status of the company is that it owns a block of stock in the U. S. company now engaged in manufacturing the sea-sled. We believe that the past season has been a satisfactory one for the American company and that many boats have been built. We also believe that the products of the company is sound and fills a need.

If the American company ever gets into a strong position, the Canadian company would naturally benefit. It will probably be some years, of course, before any betterment can be anticipated. There is, of course, no market for the stock and therefore we advise you to put it at the bottom of your safety deposit box and forget about it for a year or two, with the idea that eventually the shares may have some value. We are not particularly optimistic regarding the future of the Canadian company but the fact remains that the U. S. organization, so we understand, still continues to build these sleds and to sell a larger number of the boats.

Spanish Preferred

I would appreciate your opinion of Spanish River preferred. No word has been received from the company about the merger, or what the preferred shareholders might expect. I do not think this is fair dealing; do you? In the meantime, the stock has dropped. Would you advise selling? I paid 121 for this stock almost three years ago. I wrote the Spanish River Company about two weeks ago, but I have not obtained any information yet.

In our opinion, the preferred shareholders of Spanish River will receive a square deal from the Abitibi Power and Paper Company. From your letter we judge that you do not concur in this, but we would remind you that the Sun Life Company of Canada holds a large block of Spanish River preferred and this strong insurance company will certainly see that the Spanish preferred shareholders get an exchange, which will satisfy their claims in full. Indeed, T. B. Macauley, the president of the Sun Life in an interview in the press, has more or less indicated that he will make it his business to see that the Spanish preferred receive fair treatment.

In the meantime, the shares have shown more strength and we think you would be well advised to hang on to your stock. At the moment, we understand that negotiations are in progress between the various interests involved in the Abitibi merger and it seems reasonable to presume that an offer will be made to the preferred shareholders before the end of the current month.

Before making an offer to the preferred, Abitibi would naturally wait until it had obtained most of the Spanish stock. The shares have only been turned in within a few days and the Abitibi Power and Paper is now in a position to formulate plans for the future.

If you are inclined to feel a little pessimistic regarding the position of the Spanish River Pulp and Paper Mills preferred shareholders in the merger, we would remind you that for the year ending June 30, 1927, Spanish River earned only $1,715,113 as against dividend and reserve requirements of $1,549,473, and that on the year's operations the company was only able to increase its surplus account by the small sum of some $165,000. In other words, the current earning power position of the company hardly indicates that the preferred shareholders would be able to benefit by a participation in the profits for a long time.

We have not been able to obtain any word regarding just when an offer will be made to the preferred shareholders, but the prevalent belief among those well informed on the merger is that it will not be delayed long.

Cosmos

Would you advise an investment of, say, $1,000 in Cosmos Imperial Cotton Mills, common? The writer wishes to invest his money, not to gamble on the stock exchange, but as an investment combining security, dividends and chances of appreciation.

The common stock of the Cosmos Imperial Cotton Mills, Ltd., is an attractive speculation. No dividends are being paid at present, and it is said that none are immediately in sight. If you wish to invest your money in something which has investment merit, security, dividends and chances of appreciation, we think you should confine yourself to such standard common stocks as Montreal Power, Shawinigan Water & Power, Bell Telephone and Canadian Pacific Railway.

Queen's Park Plaza

Will you give us your opinion of the general mortgage bonds of Queen's Park Plaza, Toronto?

We have previously expressed the opinion that while the first mortgage bonds of this enterprise may be regarded as a reasonably good real estate bond investment there is considerable of the element of speculation in the general mortgage bonds. Of course, the general mortgage bonds are being offered to give a high yield, 7 per cent., and there is a bonus of common shares offered, and these features combine to compensate for the speculative features of the enterprise. In short, while the purchaser of these bonds assumes certain risks he is not asked to do so without being given the possibility of greater profits, if all expectations are realized.

There is a first mortgage of $875,000 on the building and a second mortgage issue of $600,000 is authorized, although the underwriters inform us that not more than $500,000 is likely to be outstanding when the building is completely financed. The valuation of John Stark and Company on land, building and furnishings is $2,217,093.

The estimates of earnings seem to be conservatively made. Estimated rentals for suites are based upon rates 25 per cent. to 33 1/3 per cent. lower than actual rentals in two of the older but similar apartment house hotels in Toronto. An allowance of 15 per cent. has been made for vacancies. The estimate of operating expenses, we are informed, is high enough. This leaves operating income of $224,848. From this will have to be met $68,620 per annum of average annual interest, a figure that is about $95,000 in the first year.

On these figures, the enterprise is very promising. Nevertheless, the general mortgage bonds must be placed in the class of a business man's investment.

Commerce Bldg.

I enclose herewith prospectus put out by G. A. Stimson & Co., Ltd., re an issue of cumulative preference shares Commerce and Transportation Building now in course of erection.

Would you recommend this as a conservative investment for a widow of limited means, one who is well advanced in years.

G. A. Stimson & Company, Limited, of Toronto, are making an offering of 7 per cent. preference shares in connection with a building in Toronto known as the Commerce and Transportation building and a bonus of one share of common stock with each $100 par value preference share. I would be much obliged if you will write giving me your opinion of this offer and also whether the firm mentioned is reliable.

We do not consider Commerce and Transportation Building bonds "a conservative investment for a widow of limited means, one who is well advanced in years." Is is at best a speculative investment in a real estate proposition. If the building proves a success and if there are no other stumbling blocks, such as delay in completing the building, or shortage of working capital to carry the company through the early stages, etc., then the preferred shares may prove to be a satisfactory investment and the common shares may give additional yield. But there is quite a bit of the character of a gamble in all this, a gamble such as most of the people who have been inquiring of us about this issue are not prepared to take.

The company was formed to build an office and warehouse building on a good site in Toronto. A building on this site should be able to maintain a good percentage of rentals. But the prospects are only speculative and as the ultimate mortgage indebtedness will rank ahead of the stock, the preferred stock is not attractive.

We feel that the circular offering the stock issue should have been more clear in its reference to the bonds on mortgage to be outstanding.

In the circulars that we have seen, we observe that the financial set-up as shown does not indicate that any mortgage is outstanding, or is to be outstanding, ahead of the preferred stock. We are informed that a mortgage of $850,000 will be placed on the building, first as a construction loan, and then in the form of twenty-year bonds or mortgages. The amount of the mortgage may be less and it may be more; at one time as much as $1,500,000 was mentioned by the sponsors of the building. We wonder how the purchasers of the preferred shares judged of the value of this issue when they did not know what the mortgage would total.

It should be a cardinal principle in the underwriting of real estate securities that the financial set up is complete and every dollar underwritten or subscribed by responsible parties before the public is asked to participate.

Assuming though that the present plan for a $850,000 loan is proceeded with there will be outstanding against the building the following:

Loan	$850,000
Preferred stock	350,000
Total	$2,200,000

The valuations shown in the circular are roughly $900,000 for land and $1,800,000 for building, some valuations being higher and some lower than these figures. This makes total security of about $2,700,000 for bonds and preferred stock of $2,200,000. This might be ample for a speculative investment, but is far from meeting the requirements for a sound real estate investment.

When Women Invest

Should Widow Risk Part of Small Capital in Common Stock in Hope of Increasing Income?—Perhaps Safer Now Than Ever Before

A WEEKLY FEATURE

I would be greatly obliged if you would help me with the following problem:

My daughter has been lately left a widow with two young children.

There has been, and still is, $6,000 in 5 per cent. war loan bonds due 1927. There is $7,000 in cash. The home worth about $3,500 is owned free of debt. There is also a $2,000 life-insurance policy left to the two minor children. There are no other sources of income.

The widow has been left control of the estate with the exception of the $2,000 insurance left to the children.

Keep Victory Bonds?

I would change the whole or part of the $6,000 Victory Bonds if in the plan of investment you suggest this would be advisable?

You would do me a great favor if you would advise investments to secure safety, a suitable yield and with an eye to appreciation of principal as time goes by. I believe the latter to be a very desirable feature of the investment.

It is extremely difficult to devise a suitable investment list for a widow who requires immediate yield and yet hopes to obtain some appreciation in capital. The great majority of sound common stocks are now selling on the basis where the yield is less than the yield on government bonds. There will, of course, be some appreciation in principal from bonds and good preferred stocks with the growing cheapness of money, but this appreciation over a term of years is hardly a material factor. We have given your problem some little thought and make suggestions which will bring your daughter somewhere near 6 per cent. on the $13,000 of the estate over which she has control and yet will afford her some little hope of her capital growing.

To Yield $720

Following we have set down a list of securities and stocks which total $12,930, or about $13,000 by the time she pays broker's fees, etc. On these she will obtain from present dividends $720 per year.

	Cost	Yield in Dollars
Government bonds	2,000	100
10 shares Consumers' Gas	2,000	100
5 shares Russell Motor pref.	500	35
10 shares Price Bros. pref.	1,030	70
10 shares City Dairy pref.	1,170	70
10 shares Massey Harris pref.	1,070	70
10 shares Bell Telephone com.	1,640	80
10 shares Pacific Burt com.	1,200	60
10 shares Huron & Erie mortgage	1,520	75
10 shares Belding Corticelli	800	60
	12,930	720

You will observe that we suggest leaving $2,000 of her money in government bonds on which she will receive approximately $90 per year. We suggest this because this forms a minimum of background for a person with an essentially sound investment list.

The four preferred stocks we mention—Russell Motor, Price Bros., Massey Harris and City Dairy—are preferred stocks of established and sound companies and we cannot foresee any difficulty with these stocks. There should be over a term of years some slight advance on the prices of one or two of these.

The Consumers' Gas Co. of Toronto is a soundly administered utility under a franchise which virtually guarantees 10 per cent. on the par value of $100. The present price of the stock is about $200. This stock may sell at a somewhat higher price as money becomes cheaper, and there is the further chance of stock rights being issued to shareholders as the company requires more capital for expansion.

Bell Telephone, as you know, is one of the leading utilities of Canada, and it is reasonable to assume that there will be some appreciation of capital in this stock.

Chance for Appreciation

Pacific Burt is a Canadian company operating in the far Western United States. The company manufactures sales books and similar goods, and over a term of years the experience of investors has been satisfactory. It is fair to assume that this satisfactory experience will continue.

Huron and Erie Mortgage Company is a somewhat different class of investment. We know it to be wholly sound and there is a chance of some moderate appreciation of capital.

Belding Corticelli is another sound company which should go ahead.

We believe that all of these companies are sound, and that the investment will be safe. The degree of diversification both between companies and as between industries is such that it is extremely unlikely that anything very drastic or serious will prevent advances. The list is sufficiently diversified so as virtually to assure the investor against loss of any large proportion of the capital.

Not Orthodox Advice

You will understand, we hope, that these suggestions are advanced in response to your statement that appreciation of capital is highly desirable in this instance, as you state in your letter. Sir Herbert Holt has said that Canada appears to be on the verge of the greatest era of prosperity in its history. If it were not apparent that this is true, we would hesitate to suggest investment in any common stocks, especially of industrial companies. We are aware, and hope you will note, that the list can be subjected to criticism from investment sources on the ground that safety of a widow's principal is a primary consideration and that, to secure this, it is essential that the investment be confined to government and municipal bonds and the soundest of public utility bonds. This, of course, is the most conservative policy and would be highly desirable if the principal were adequate to maintain your daughter and her children.

If you depart slightly from the most conservative policy you will be risking some part of your daughter's capital in the hope that some day the increase in principal will bring the yield to a point more nearly adequate for the maintenance of the family. We think that, the risk in purchasing common stocks of established companies may be less to-day than ever before. If the next ten years sees a continuance of peace and an avoidance of inflation, Canada should progress rapidly.

Sell Imperial Oil?

For some time I have been holding 10 shares of Imperial Oil stock. Although I have been satisfied with the returns on my original investment, it is difficult to foresee the future of the stock. I am considering selling this now and buying instead 10 shares of Shawinigan, Power Corporation, International Nickel or other stock which would probably make a bigger return on a hold of two years or so.

Shawinigan Water and Power common stock probably is the most conservative of those which you mention. But although the investment is considered conservative, the profits have been large in times past, and it is fair to assume that the company will continue to grow. We have it on the authority of a person of experience who has watched this stock for years that the growth in the next five years is not likely to be so rapid as it has been in the past.

Power Corporation is a new public utility holding company with a bright future, but it is somewhat difficult to say if the stock in this company will advance any more rapidly than the stock of Imperial Oil may advance.

International Nickel is a stock which has had a remarkable rise in the last several months. The present price is discounting the future to a considerable extent and the extent of this discount may induce many persons interested in the stock to sell it short. It cannot be considered a conservative investment, unless one were to purchase with a view to holding for, say, five years.

By discussing the stocks separately we may have been able to convey to you the difficulty of judging the respective merits of each. They are all good in our opinion, but it is hardly likely that anyone is in a position to judge as to which stock will go ahead the most rapidly.

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FIFTY-NINTH ANNUAL MEETING OF THE ROYAL BANK OF CANADA

Outlook Never So Favorable For Prosperity In Canada

Sir Herbert Holt, President, in Annual Address, Points Out that Improved Situation Abroad, Taken with Well-established Prosperity at Home, Constitutes a Propitious Combination of Conditions Favorable to Continued Progress.

C. E. Neill, General Manager, Reviews Statement, Which Shows Total Assets at $894,663,903, the Greatest in the History of the Bank.—Advises Financial Institutions and Firms to Endeavor to Curb Unwise Speculation.

The Fifty-Ninth Annual General Meeting of the Shareholders was held at the Head Office of the Bank of Montreal on Thursday, Sir Herbert S. Holt in the chair.

PRESIDENT'S ADDRESS

Sir Herbert S. Holt, Chairman, in moving the adoption of the Directors' report, said:—

I regret having to announce the resignation from the Board of Directors of the Hon. R. B. Bennett, K.C., M.P., whose wide knowledge and broad experience, both in the east and west, made his counsel of such great value to the Bank. Our loss is somewhat tempered by the realization that his great ability will now be devoted to the services of the country.

The paid-up capital of the bank has been increased during the year by the issuance and allotment to shareholders of 56,000 shares of a par value of $100 each. These shares were sold to shareholders at the price of $200 a share. All payments have been completed and our paid-up capital now stands at $30,000,000 with a reserve fund of $30,000,000 and undivided profits of $1,809,831.87.

The authorized capital of the Bank is now $40,000,000. The by-law passed at the Annual General Meeting of Shareholders on January 13th, 1927, to increase the capital stock of the bank has been duly approved by the Treasury Board and a certificate issued to this effect.

The Report and Balance Sheet will be dealt with in detail by the General Manager. It discloses a most satisfactory condition of affairs, with total assets and profits larger than at any time in the past.

LARGE MARKET FOR CANADIAN PRODUCTS

During the years of depression which followed 1920, the financial leaders of Canada again and again expressed the opinion that a period of sound expansion was at hand, and they reiterated a plea to all Canadians for the maintenance of a staunch faith in the future of the Dominion of Canada. Those who were most careful in their studies of world economic trends were forced to the conclusion that a return to world stability in commerce and finance would be accompanied by such a rising tide of demand for the products of Canada's fields, forests and mines as would assure a prolonged period of prosperity. The steady improvement in agriculture, mining, manufacture and internal and external trade which has characterized the years 1925, 1926 and 1927, has done much to vindicate the good judgment of this leadership.

It is only natural that this general prosperity should have brought about a pervading spirit of optimism. In every part of the country one finds an improved tone in business, a more aggressive attitude towards expansion and greater interest in the opportunities afforded by foreign trade. As yet, there are no indications of industrial and commercial inflation. Production is not expanding to a point unwarranted by growth in demand. It is a noteworthy fact that this whole expansion has taken place during a period which has been characterized by a moderate decline in prices. On the whole, the fundamental situation in agriculture, industry and commerce is more stable than at the beginning of the period. However, I think it is necessary to give a word of warning and caution against inflation in securities and excessive stock speculation.

IMPORTANT POSITION OF CANADIAN FARMER

For three years there have been good crops on the prairies and in most other parts of the country, with fair prices, and the position of the Canadian farmer is generally satisfactory. The increased production of wheat in Alberta and the increasing importance of mixed farming in all three prairie provinces are significant of the greater stability which obtains in agriculture. Another favourable factor in the West is the improved price of beef and hides; the prospects for the cattle industry are more favourable now than at any time since the end of the war.

Among the notable events of the past year was the inspection of a large number of the important mines in various parts of the country by the members of the Empire Mining & Metallurgical Congress. Reports by these visiting engineers have drawn the attention of the British and others interested in mining to the rich mineral resources of the Dominion of Canada. It is a matter of gratification that a number of the visiting delegates expressed special appreciation concerning the valuable and varied assistance which the Federal and Provincial Governments have rendered to the mining industry. With the exploration and devolpment now in progress, with a smelter beginning operation in the Rouyn area, and with mills ready for active production in Manitoba, a more accurate picture of the immediate potentialities of the expanding mining industry should be developed during the present year.

Although lumbering is not in as chaotic a condition as during the past four or five years, overproduction and low prices are still factors causing concern. The Australian, New Zealand and Oriental demand has been of assistance and the actual volume of consumption is large. In the paper industry the decrease of production of newsprint in the United States has permitted a steady increase and expansion in this country, but at the present time we have more capacity than is required, consequently there has been danger of overproduction, which, however, has been partially met by intelligent curtailment of output. In this connection, I again draw attention to the vital importance of conserving our timber resources and the immediate demand for reforestation.

On both coasts, the year has been unsatisfactory so far as the fishing industry is concerned. The British Columbia salmon catch was particularly poor, and the losses sustained among the Lunenburg fishing fleet constituted a severe blow.

Railway earnings for the first eleven months of 1927 are not as satisfactory as those obtained in the corresponding period of 1926, but the crop movement, which was somewhat late this year, will be of material assistance in improving the returns for the latter part of the year. In connection with the railways, I wish to call attention to the importance of granting rates which permit them to maintain efficiency with a fair return on capital invested. Both manufacturers and farmers should realize that good transportation at fair rates is of more assistance to the development of the country than low rates which sacrifice efficiency and may even prevent provision for extencion and necessary facilities.

MARKED EXPANSION IN INDUSTRY

To obtain a proper appreciation of the progress which a country is making, it is advisable to compare the statistics of the current year with those of a few years back. Therefore, I am referring to the fact that in the first eleven months of 1927 steel production exceeded that of 1924 by 29.9 per cent.; newsprint by 54.0 per cent.; and automobiles, in spite of the reorganization of the Ford plant, by 59.1 per cent. The Dominion Bureau of Statistics index of industrial production for 1927 is more than 50 per cent. above the average level from 1919 to 1924.

In November, 1927, the employment index stood at 107, a new high at this time of the year; this compares with 90 in November, 1921; 97 in 1925 and 102 in 1926. As a matter of comparison, it may be well to state that the employment index of the United States Bureau of Labour Statistics shows that employment in the United States has fallen by about 10 per cent. since 1923.

With labour well employed at high wages, with the buying power of the farmer established at a satisfactory level, and with good prospects of activity in almost every industry, the outlook for internal trade is excellent.

CONGRATULATES FINANCE MINISTER ON REDUCTION OF DEBT

In a growing country there is a strong tendency to expand government activities and to increase government expenditures. The Minister of Finance is to be greatly congratulated on reducing various taxes and on cutting down the net debt by $60,000,000 between October 31st, 1926, and October 31st, 1927. While the Government should be given full credit for what it has accomplished, it is imperative that all capital expenditures should be kept down to a minimum. No single factor can do more towards maintaining stable prosperity than Government economy and reduction of taxation, and only by this means can the country hope to throw off the gigantic burden of debt incurred during the war.

In international banking circles the opinion is gaining ground that a world shortage of gold will be experienced unless effective international co-operation prevents the accumulation of unnecessarily large individual holdings by central banks. Should such a shortage develop, it must necessarily result in a gradual decline in price levels and resultant loss and unsettlement in business. Intelligent co-operation between the more important gold-holding countries can prevent any such difficulties arising, but this may involve changes in policy on the part of a number of countries not in the first rank in international finance. The gold holdings of Canada are accumulating and will reach still higher figures as and when a larger volume of note circulation is made necessary by the greater volume of business arising from the growth of the country. Neither Great Britain, Germany, nor other commercially important countries, except the United States, keep metallic reserves proportionately as large as those now held by Canada.

Immigration is not satisfactory. We are getting too few immigrants from Europe and too many of our people are still going to the United States. It is important that the Government should inaugurate a more vigorous immigration policy.

FOREIGN TRADE

The Empire Marketing Board has set aside $100,000 to be used for advertising Canadian food products in the British market. The Canadian Government is also prepared to assist this project in a substantial manner. When it is realized that with assistance from these two sources, the Canadian exporter needs to furnish less than 50% of the cost of advertising in Great Britain, it would seem that Canadians have been singularly remiss in taking advantage of a favorable opportunity. To secure the full benefit from such advertising, Canadian products should be distinctive in character, easily recognizable, and of uniform quality. Apples and other food products should be carefully graded, labelled and sold under special brands. While this outlay for establishing the reputation of Canadian goods may reduce immediate profits, the ultimate advantage which would accrue to Canadians from this effort should be well worth while.

OPPORTUNITIES IN TRADE TO FAR EAST

Great as are the opportunities for marketing within the Empire, the time has come when Canada is going to play an increasingly important part in international commerce, and the great developments which are likely to take place in the near future are those on the Pacific. In the last few years, Canadian exports to Japan, China and Hong Kong have been increasing at an extraordinary rate. For the fiscal year 1903, our exports to these markets amounted to $1,465,069; in 1910 to $2,416,858; in 1916 to $2,656,701; in 1920 to $15,742,186, and in 1926 to $61,054,146. Even in 1927, when conditions in this market were unusually upset, the sales for the fiscal year dropped only to $44,906,244. With the increased buying power which these countries will attain under a stable industrial and political regime, we must look forward to a time when the trade with the Orient will be a major outlet for Canadian products. It is especially important that Canadians should be alive to such opportunities and realize the full significance of such meetings as the Pacific Conference on International Relations, which took place in Honolulu, or the Pacific Foreign Trade Conference, which took place in Victoria this past year.

In the past three years there has been a marked improvement in the financial stability of Europe. Country after country has returned to the gold standard. Budgets are being balanced, substantial payments are being made on international debts, and sinking funds and reserves established which will make for increased stability.

Economic readjustment is too complex a matter to permit noticeable improvement from month to month, but when the European industrial, commercial and financial structure of to-day is compared with that which existed in the same countries three to five years ago, the favorable trend becomes evident.

The situation in Great Britain continues to show consistent progress. Unemployment has decreased, wages are higher, production in basic industries is approaching the level of pre-war normality, and a number of new industries and amalgamations have been established which have brought about greater improvement than is generally realized.

For Canadians, this will mean a consistent growth in demand for wheat, dairy and animal products, lumber, and minerals. Re-established and growing European and world purchasing power will inevitably continue to stimulate Canadian production. This situation abroad, taken together with the well-established prosperity which exists at home, constitutes a propitious combination of conditions favorable to continued expansion. At no time in the past has the outlook been more favorable than at the present for the prolonged prosperity of Canada.

Mr. C. S. Wilcox, seconded the adoption of the Directors' report.

GENERAL MANAGER'S ADDRESS

The General Manager, Mr. C. E. Neill, said:—

The 58th Annual Balance Sheet, showing the position of the Bank on November 30th last, the end of our fiscal year, and the Profit and Loss Account, giving the results of the year's operations, are before you. I think you will agree that both are satisfactory.

The financial statistics and statements of important financial corporations of a prosperous country bespeak prosperity. We have a large and growing business in Canada, and an analysis of our statement is a clear indication of the substantial progress of the agricultural, commercial and industrial interests in this country during 1927.

Our total assets are $894,663,903.45, the highest in the history of the Bank; an increase of $128,286,960.19 over last year.

The increase in deposits is $109,775,802.17, but included in this figure are several large temporary amounts. Apart from these special deposits, the growth has been substantial and shows the steady progress we are making. Here I may say that during the past year we have secured more valuable new accounts and connections than in any previous year.

Perhaps the most striking item in the statement is the increase of $27,777,630.60 in commercial loans in Canada. In times of great business activity, increased turnover calls for additional banking accommodation. As our business is largely commercial, the substantial increase in loans is the inevitable result of prosperity throughout the country.

The growth of the Call Loans, which represent loans against Stock Exchange collateral, not only of this Bank, but of other Canadian banks, is indicative of three things:

1. Increase in the number of securities available to investors.
2. Increase in the market value of securities.
3. Increase in speculation.

In a growing country the development of its resources produces new securities. Prosperous times result in the enhancement in value of securities, and for these reasons it is clear that the two first-mentioned causes for the increase in Call Loans are at least to some extent justified. As to the third, it is obvious that speculation has reached a dangerous stage. The best-informed financial and brokerage firms are already operating on an unusually conservative basis by calling for increased margins, by declining to open new accounts, and by restricting the liability of their customers to reasonable amounts. In times of excessive speculation, the lure of easy profits cannot be denied, but speculation can be checked and held within reasonable bounds by the financial interests, particularly the banks, and bond and brokerage houses.

STRONG LIQUID POSITION

The liquid position of the bank has been fully maintained. Our holdings of cash, including bank balances, equals 23.12% of liabilities to the public; while our total liquid assets are 57.33% of liabilities to the public, as compared with 54.30% last year.

Increased business activity and the growth of our business have resulted in higher profits, the best in the history of the Bank. The usual dividends and bonuses, amounting in all to 14%, have been paid to the shareholders, and we have made the customary appropriations for Bank Premises and Pension Fund. Provision has been made for bad and doubtful debts, and $1,809,831.87 is carried forward in Profit & Loss Account.

The satisfactory nature of our profits can be attributed in part to the continued efforts made to control operating expenditures. Special study has been given to ways and means of increasing the efficiency of our branch organization. There are many problems connected with the operation of a chain of branches 880 in number, and located in 30 different countries, but, profiting by experience, we have been able in various ways to simplify our methods of handling business without relaxing our supervision and control. To realize the necessity of maximum efficiency along these lines, it must be recalled that, while price levels and the cost of living have increased at least fifty per cent. since pre-war days, the margin between interest paid to depositors and interest received from borrowers has either remained stationary or has declined. Thus, of all the factors which affect industry and commerce in Canada, bank credit is the only important one which is as cheap now as it was in 1914. Under such conditions, a high degree of operating efficiency is required in order to provide satisfactory service to the public and at the same time maintain profits at a reasonable level.

FINANCING FOREIGN TRADE

An interesting item in our Balance Sheet is the substantial amount of Letters of Credit outstanding. The figures under this heading are usually not a great deal smaller than the combined figures of the other Canadian Chartered banks. Our Canadian Letter of Credit business is quite important, and in addition our numerous branches in the West Indies and South America have occasion to issue many credits in connection with the financing of foreign trade. A good proportion of our transactions of this nature, however, arises from our operations in the leading financial centres of the world, especially London and New York. Our business of this class is of a particularly desirable and self-liquidating character, so that its growth during the last few years gives cause for satisfaction.

"Bills Payable" constitutes another item in which our figures are substantially larger than those of other Canadian banks. In various South American countries it is an old-established custom to make remittances to London in the form of ninety-day bills. The liability entitled "Bills Payable" in our Balance Sheet is made up of time drafts drawn on our London, England, office, and sold to the Bank's customers, almost the entire amount consisting, of such drafts issued by our South American branches.

The increasing business of the bank has made it necessary to obtain more adequate quarters in other centres. In Paris, the building at No. 3 Rue Scribe, which we purchased some time ago, is now being remodelled, and when completed will constitute an attractive and exceptionally well-located office. In London we expect to open our West End Branch by May 1st, in the new building of the Sun Life Assurance Company, in Cockspur Street, off Trafalgar Square. This office will be of special convenience to travellers. The new office which we have arranged for in Bogota, the capital of Colombia, will be the most modern office building in that city. We have also been able to negotiate satisfactory leases covering larger and more attractive premises in Sao Paulo, Lima and Montevideo.

Having regard to the opportunities which Canada offers for new developments, we may expect outside investors, particularly in Great Britain and the United States, to continue to send their money to this country. The unfortunate experiences of some of the British investors who made ill-advised commitments in the boom period preceding the war undoubtedly affected Canada's reputation in financial circles in the Old Country. Everything possible should be done to guard against a repetition of this situation. I strongly urge anyone in Great Britain who has investments in Canada under consideration, to seek the advice of a Canadian bank or a reputable investment house familiar with Canadian conditions. While, in the case of such speculative ventures as mining, neither a bank nor an investment house might be in a position to appraise the prospects of success, they could at least give an opinion on the standing and integrity of those connected with the enterprise.

In order to stimulate general interest in problems of national importance and to encourage advanced study along economic lines in Canadian universities, we have offered an annual $1,000 Fellowship to the student at any Canadian university who shall prepare the best 3,000-word paper covering one of the topics specified. The subjects selected for the papers, which are to be submitted March 1, 1928, are as follows:

Does Canada need a Federal Farm Loan System?
  A study of Dr. Tory's report and Federal Legislation.
Canada's optimum of population and how it may be obtained.
  In this contest the word optimum may be defined to mean the ideal number of people of the type which will be most satisfactory for the building of the nation.
The potential developments of Canadian trade in one of Canada's foreign markets.
Economic possibilities of the Maritimes.
  A study of the Duncan report.

The judges who have agreed to act in this contest are the Right Honorable W. L. Mackenzie King, Dr. Adam Shortt, a member of the Consultative Economic Committee of the League of Nations, and Dr. Oscar D. Skelton, Under-Secretary of State for External Affairs. We wish to express our special appreciation of their co-operation in this project.

HELP TO UNIVERSITY MEN TO ENTER BANKING FIELD

The growing complexity of the economic and banking relationships of Canada makes it essential that there should be a group of young, well-informed men in the Bank preparing themselves for more responsible positions. We are hoping, therefore, to find a certain number of students among those who take part in this contest who will wish to enter the banking field. In the past, there has been a feeling that promotion in the banks is so slow as to make this work unattractive to aggressive men of good education. While it is undoubtedly true that the process of learning banking routine will seem monotonous to college graduates who have been specializing in theory, yet those who have sufficient stamina to survive the routine work of the first few years will find that the Bank is prepared to give full recognition to their special abilities, and that their promotion is likely to be more rapid that that of those who enter the Bank from high school. In order to obtain the services of the highest type of man graduating from the colleges, the Bank is also prepared to make some special concessions in connection with the immediate salary offered them while they are still holding junior positions.

You will receive, as usual, with the report of this meeting, comprehensive details regarding conditions in Canada and other countries where we are represented.

In February, several of your Directors, in company with the President and myself, visited the principal branches of the Bank in the West Indies. It was a matter of gratification to note the high regard in which the Bank is held throughout the South. The new treaty should result in further development of business between the British West Indies and Canada. In the past, the Bank has played an important part in encouraging Canadian-West Indian trade, and our efforts along these lines will be continued.

In these times of progress and prosperity, we must, above all things, endeavor to maintain a proper perspective and to keep our feet on the ground. The great financial institutions of this country have a duty to Canada, as well as to their shareholders. The responsibilities of those who direct these institutions are heavy, and it is for them to see that the trust reposed in them is properly administered, in the interests of the country at large, as well as in the interests of the shareholders.

HOSPITAL GRANT CONFIRMED

A resolution was passed confirming the subscription of $150,000 to the Montreal Joint Hospital Campaign.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year: Sir Herbert S. Holt, President; E. L. Pease, Vice-President; C. E. Neill, Vice-President; D. K. Elliott, Hugh Paton, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dyment, G. H. Duggan, C. C. Blackadar, John T. Ross, W. H. McWilliams, Capt. Wm. Robinson, A. McTavish Campbell, Robert Adair, Hon. William A. Black, M.P., C. B. McNaught, G. MacGregor Mitchell, R. T. Riley, Stephen Haas, John H. Price, W. H. Malkin.

At a subsequent meeting of the Board of Directors, Sir Herbert S. Holt was re-elected President, and Mr. E. L. Pease and Mr. C. E. Neill, Vice-Presidents, for the ensuing year.

Ottawa and Hull Power Shows Little Chance

From Our Own Correspondent

MONTREAL.—On a proportional basis with the preceding fiscal period which covered fourteen months, the earnings of the Ottawa and Hull Power Company revealed in the annual report for the year ending October 31, show little change from the preceding year. Proportionately both gross and net earnings are much the same.

Taking into consideration the operations of the Ottawa River Power Company, the subsidiary of the Ottawa and Hull Power Company, the president, A. J. Nesbitt, in his report points out that in the gross revenue of both companies in the past year there has been an increase of $33,426.

The following figures compare the income account of the Ottawa and Hull Power Company over the past two fiscal periods:

	Twelve months, 1927	Fourteen months, 1926
Gross rev.	$398,793	$466,540
Exp. and taxes	97,068	97,712
Balance	301,725	347,827
Bond interest	150,900	175,000
Net profit	151,725	173,827
Pfd. dividend	105,000	122,500
Balance	46,725	51,327
†Prev. bal.	2,380	81,952
xP. & L. bal.	49,105	133,279

† After deducting income tax and depreciation reserve appropriation for the preceding year.

x Subject to income tax and depreciation for 1926-27 period.

The balance sheet shown in the annual report for the year ending October 30 last, showed an increase in the investment in subsidiaries of $270,000 a year ago to $334,204. Advances to subsidiaries have also increased by $96,100 and now stand at $196,100. Call loans which last year amounted to $55,750 have been eliminated from the balance sheet and cash account now stands at over $36,000 as compared with some $3,000 a year ago.

In the liabilities there has been an increase in accounts payable which now stands at $57,194 as against $1,281 last year. While surplus account has declined from $133,279 to $49,105, yet this decline has been more than offset in the substantial increase in the depreciation reserve which now stands at $756,844 as against only $629,553 a year ago. All in all, it can be said that there has been some betterment in the balance sheet position of the company.

A. J. Nesbitt, the president, mentions this increase in the depreciation account in his report to the shareholders and says that the directors have felt it advisable at this time to strengthen the depreciation reserves and the sum of $127,291 has been transferred from profit and loss account to this fund.

Ottawa River Power Co. Shows Large Increase

From Our Own Correspondent

MONTREAL.—Profits of the Ottawa River Power Company, a subsidiary of the Ottawa and Hull Power Company, in the annual report for the fiscal year ending October 31 last, show a substantial proportional increase from the preceding ten months fiscal period.

The betterment in the earnings power position of the company is revealed in the following comparison of income account figures over the last two fiscal periods:

	Twelve months to Oct. 31, 1927	Ten months to Oct. 31, 1926
Gross revenue	$356,126	$274,953
Exp. & taxes	131,406	97,693
Balance	224,720	177,259
Interest	169,333	136,559
Balance	55,386	40,699
Depreciation	40,000	39,000
Surplus	15,386	1,699
Prev. surp.	1,699	......
P. & L. bal.	17,086	1,699

While the company's balance sheet still reveals that as a year ago there is a deficiency in working capital, yet some betterment in the balance sheet position is evident. Investment in plant is carried at $5,079,134, an increase of $45,600 during the year. Cash account at $46,359 is nearly twice as great as a year ago.

In the liabilities, loans are up from $100,000 to $196,100. Depreciation reserve has been increased by the amount shown in the foregoing figures, and now stands at $79,000. Surplus account also shows the satisfactory increase noted in the foregoing income figures.

The annual report this year covered the first full operating year since the inception of the company. During the full twelve months period the generating units carried a full load practically at all times and sometimes was considerably overloaded. During the current year, the company ordered a second unit which will be installed in the plant. The expansion in the business was not only effective among the existing customers, but additional contracts were obtained to supply light and power to the municipalities of Campbell's Bay and Grand Calumet. The betterment in the earning power position of the company has an effect on the Power Corporation which controls the company through stock ownership of its parent organization, the Ottawa and Hull Power Company.

Capital: $1,000,000
Reserve: 350,000

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covering
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CANADA IS SECOND TO UNITED STATES IN 'PHONES USED

Dominion Has 12.79 Telephones for Every 100 of Population

With 12.79 telephones for every 100 of population, Canada is second only to the United States in having the highest average number of instruments in use. Germany and Great Britain and North Ireland had more telephones than Canada, but with their larger populations their densities were 4.1 and 3 per 100 of population respectively.

A survey of the telephone industry in Canada by the Bureau of Statistics, covering the year 1926, shows that the telephone density remained the same as in 1925 although the densities increased in each province. British Columbia was first with 18.8 telephones per 100 population; Ontario had 16.9; Saskatchewan 12.5; Alberta 11.7; Manitoba 11.1; Quebec 9.4; Nova Scotia 7.45; New Brunswick 7.42; and Prince Edward Island had 5.3. These averages are based on the total number of telephones, including residence, business, public pay stations, etc., and the estimated population for 1926.

Due to consolidations, principally by smaller systems being purchased by larger systems, the number of systems decreased during the year by 16, or from 2,495 to 2,479. This total includes the three large provincial systems of Manitoba, Saskatchewan and Alberta, and the private and municipal systems. There were 142 municipal systems, the larger ones being operated by the cities of Edmonton, Fort William and Port Arthur. The co-operative systems numbering 1,560 are mostly small. Saskatchewan had 1,187 of them, Nova Scotia 209, and Ontario 58. The private systems include 490 stock companies, 107 partnerships and 174 systems owned by individuals.

The increase in the number of telephones during the year was 518,132, or 5.1 per cent. The business telephones accounted for 13,68[illegible] or 23.5 per cent. of the increase, residence telephones for 40,592, or 69.8 per cent., rural telephones for 1,879, or 3.2 per cent., and public pay stations for 1,979, or 3.5 per cent. of the total increase.

Distribution of telephones by provinces, together with comparative figures for 1925, are shown in the following table:

	1925	1926
Prince Edward Island	4,298	4,562
Nova Scotia	39,242	40,104
New Brunswick	28,945	30,237
Quebec	228,227	240,914
Ontario	508,513	533,192
Manitoba	69,000	71,272
Saskatchewan	100,096	102,894
Alberta	70,073	70,996
British Columbia	99,346	106,701
Yukon	136	136
Total	1,142,876	1,201,008

It is interesting to note that the returns for 1926 credit the Bell Telephone Co., with roughly half of the capital, revenue, operating expenses and about five-sixths of net operating revenue, reported for the industry as a whole.

PICCADILLY

WHAT an ideal name for a smoking mixture! And what an ideal tobacco for the name—
Piccadilly

IN PATENT HERMETIC TINS AT 25 CENTS

TORONTO LOAN ENDS ANOTHER YEAR OF PROFIT

Mortgage Company Now Has Reserve of 124 Per Cent. of Capital

Toronto Mortgage Co. has completed another successful year, with a net profit of $112,537 on its paid-up capital of $724,550, or better than 15 per cent. compared with $112,447 a year ago. The total revenue for 1927 was $255,881, and the expenses, including administration, interest on debentures, deposits, etc., were $143, 344. The company placed another $50,000 in its general reserve, bringing that fund to $850,000 or $126,000 greater than the paid-up capital.

The report is interesting, also, for the fact that, for the 21st year in succession, the company has no real estate on hand for sale, through default or otherwise. Of the $255,881 of gross revenue, only $2,7[illegible] was outstanding at the close of the fiscal year, showing that virtually 99 per cent. of the company's revenue for 1927 had been received in cash.

Increase Currency Debentures

The prevailing dividend rate on the capital stock is 11 per cent.

There are some changes in the balance sheet besides those mentioned. Mortgages have been increased nearly $400,000 to $2,708,331, while government and municipal bond investments show a reduction of more than $200,000 to $793,399. There has been a slight increase in the amount of sterling debentures outstanding, the total now being $1,542,496, and a more substantial increase in currency debentures, the total now being $354,267, compared with $284,867 a year ago. With the $50,000 transferred to reserve from profit and loss, and after payment of dividends and bonus and a donation of $1,000 to Toronto General Hospital, the balance carried forward stood at $49,469, compared with $67,632 a year ago.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned %	Dividend
1913	$724,550	$ 86,841	12.0	8
1914	724,550	90,437	12.6	8
1915	724,550	93,038	13.0	8
1916	724,550	95,140	13.1	8
1917	724,550	90,822	12.6	8
1918	724,550	89,542	12.4	8
1919	724,550	90,173	12.5	8+1
1920	724,550	93,386	12.9	9
1921	724,550	91,396	12.6	9
1922	724,550	88,286	12.2	10
1923	724,550	91,618	12.7	10
1924	724,550	99,860	13.7	10+1
1925	724,550	95,659	13.2	10+1
1926	724,550	112,447	15.5	10+1
1927	724,550	112,537	15.53	10+1

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WABASSO COTTONS include Sheets, Sheetings, Pillow Cases, Circular Cottons, Madapolams, Cambrics, Nainsooks, Longcloths, Lawns, Voiles, Twills; also a complete colour range in Mulls, Voiles, Check Nainsooks, Lingerie Cloths and Broadcloths in the newest shades.

The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.

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Current Events in Banking World

Banks Might Employ Officials to Develop New and Old Business

Weak Points of Contact With Public Could be Ascertained

LINKS STRENGTHENED

No Necessity for Executives to be Bothered With Trifles—Much Time Saved

By a Bank Manager

Jones, an official on the staff of a certain newspaper, is employed in ascertaining the "why and wherefore" of lost business in the way of advertising or subscriptions. Smith's renewal represents the small sum of $5.00; if it is not received within a reasonable time, it is Jones' duty to find out the reason why. It may be thought that the newspaper in question must be hard up for subscribers when so much trouble is taken over an item of $5.00, but this is not the case, because it has a very large circulation. Moreover, Jones' duties are considered so important that he is a very highly paid executive. Why is this?

Because the value of public opinion and backing is fully recognized and in ascertaining the reasons for lost business the journal keeps its finger on the public's pulse and so adds to its usefulness and extends its influence.

Lesson for Banks

A lesson taken from the leaf of the newspaper might be found profitable to any bank caring to study the question. Bank executives are too busy in the execution of their multifarious duties to bother about trifles; their time is necessarily taken up by the more important matters of banking; thus details of little significance in themselves, and of apparently small importance, are practically overlooked. It is trite to say that everyone's business is nobody's; the result is that it is only when the cumulative force of small details is felt that any notice is taken of them and very often the executives are the last ones to hear of troubles or complaints of any kind which may have an important bearing on the progress of the bank; no one wants to bother the busy executive more than necessary.

It is suggested that if an official were appointed to keep tab, as it were, on matters governing the bank's policy and contact with the public, the bank creating such a position and filling it with the right man, would find his services useful and profitable; in his study of the reaction on the public of the bank's policy, he would be an important factor in the work of retaining and adding to the numbers of the bank's clientele, and aid in the development of present business to its fullest earning capacity.

The official so appointed would not be chosen for his fault finding ability, but on account of his sympathetic understanding not only of the customers' problems, but also those of the bank's staff; he would necessarily have to be of a particularly constructive turn of mind and a man of considerable personality. His duties would take him from branch to branch and he would spend sufficient time at each to ascertain the weak points of contact with the public and endeavor to point out ways and means of increasing the bank's usefulness and its profits incidentally; he would also sound public opinion in its regard for the bank in the different districts served by it. His would be no work of carping criticism and it would be thoroughly explained to the staff that the official's mission is entirely for instructive and constructive purposes, and should not be considered in any other light. After a certain period, personal visits to the branches could be dispensed with and the work carried on at headquarters by propaganda.

Inspector's Duties

It will very likely be contended that this work is already done by the inspector on his annual visits. True, but only to a small extent. The inspector's duties are diversified. His attitude is necessarily critical and his chief work is to ascertain the value and safety of the business already in the bank's books; he is not specially trained in the work of developing business.

This is the day of specialists. The banks have, for example, appointed routine experts and have found their services profitable. This being the case, the appointment of a well-trained executive official to look after the business development work of a bank would seem to be well worth while considering. Take, for example, the assistance he could render to many managers of ability in developing their selling propensities; in some instances the managers have never had a chance to exercise these powers which often lie dormant through lack of experience. Insurance companies have found it of vital importance to instil constantly into the minds of their agents new ideas and methods for developing their business. While one must differentiate between banking and insurance, in one respect they are similar; the growth of their business depends upon the selling ability of their field men. Some managers produce more than others and the ideas and methods of the best should be made readily available to all. The weak links in the chain of each bank's system would thus be strengthened to equal the strongest as nearly as possible.

Insurance agents hold frequent conferences under the guidance of their superintendents who encourage them in their work; they are generally successful in filling their men with enthusiasm; the most dynamic of human attributes. Are all bank managers enthusiastic over their work? Some are and some are not; why are they not all imbued with this spirit? Are the head offices doing all they can towards getting the best out of their managers? It has been said that a business organization lacking enthusiasm does not get out of its men 50 per cent. of their potential efficiency. Do the head offices recognize this fact? The matter does not altogether revolve around the question of salary as the right kind of enthusiasm cannot be bought; it is a germ and a contagious one at that; lack of warmth and team work kill it, no matter how well filled the pay envelope may be. Are the managers encouraged or discouraged by the attitude of their executive heads, especially by the bearing of those with whom they come most into contact? High office in banks, as well as in other organizations, breeds a spirit of aloofness in the holders: does this tend towards increasing the earning powers of the banks? Does it attract business? Does the frigid demeanor of some senior officials promote "esprit de corps" in the rank and file and inspire them with a desire to accomplish the impossible, or does it result in the "Oh, what's the use" attitude of mind? Weaknesses would be disclosed and remedied as far as humanly possible by the suggested appointment, as all officers would be invited to discuss any question from their own angle in an absolutely frank manner without fear of the consequences.

School Land Sales are on Increase

WINNIPEG. — Another barometer of the state of Western Canada's agricultural progress is the sale of school lands in the Prairie Provinces which in 1927 were the best on record. In all 480,408 acres were disposed of for a total of $8,983,967, representing an average of $18.70 per acre. The lowest price obtained was $7 per acre and the highest $79.

IMPERIAL BANK CHANGES

W. H. Coghill, formerly manager, Dundas and Bloor, Toronto branch, has been appointed manager, King and Spadina, Toronto branch.

S. S. Jones, formerly manager, Runnymede and Annette, Toronto, branch, has been appointed manager, Dundas and Bloor, Toronto, branch.

W. H. Green, formerly manager, savings department, Yonge and Queen, Toronto, branch, has been appointed manager, Runnymede and Annette, Toronto, branch.

G. L. Bonyun, formerly manager, Wellesley and Sherbourne, Toronto, branch, has been appointed manager, savings department, Yonge and Queen, Toronto, branch.

G. S. Ball, formerly accountant, Welland, Ontario, branch, is at present attached to Toronto branch.

Weekly Bank Clearings

(As compared with same week last year)

EASTERN CITIES	Jan. 13, 1927	Jan. 12, 1928
Montreal	$109,753,830	$151,128,481
Toronto	103,583,509	168,476,159
Quebec	7,045,479	6,065,869
Ottawa	5,732,226	7,124,439
Hamilton	4,811,181	5,940,974
Halifax	3,258,934	3,505,350
London	2,777,490	3,644,417
St. John	2,608,085	2,691,903
Windsor	4,062,772	5,289,971
Kitchener	1,169,986	1,439,504
Brantford	931,549	1,177,674
Peterboro	1,136,983	1,193,231
Kingston	661,787	822,259
Chatham	753,733	953,526
Sherbrooke	849,510	822,007
Sarnia	602,216	707,129
Moncton	918,924	986,503
WESTERN CITIES	Jan. 13, 1927	Jan. 12, 1928
Winnipeg	$46,072,397	$55,467,860
Vancouver	14,984,593	21,580,293
Calgary	7,745,916	13,750,637
Regina	4,937,921	5,736,697
Edmonton	5,146,656	6,328,083
Victoria	2,003,465	2,348,089
Saskatoon	1,754,533	3,130,998
Moose Jaw	1,300,184	1,485,135
Fort William	766,205	1,026,883
New Westminster	713,424	715,998
Brandon	522,817	534,191
Lethbridge	585,722	620,455
Prince Albert	397,783	475,400
Medicine Hat	251,891	383,299

Bank Chat

William Edward Phillpotts, manager of the Bank of British North America, at Sherbrooke, Que., from 1896 till 1901, is dead.

Combination of the Union Trust Co. and the National Bank of Commerce, at Detroit, under a unified stock ownership plan has been approved by directors of the two institutions.

A. M. Gillespie, of the Bank of Montreal, Toronto, is in temporary charge of the bank at Kingston, Ont., during the absence of W. A. Reid, manager, who has left for two months' vacation in Florida.

Officials of the Bank of Nova Scotia announce the purchase of the Fashion Craft block on Portage Avenue, at Winnipeg, adjoining the bank. The price involved was given as $237,500. W. C. Brown, of Toronto, was the owner of the building.

The Imperial Bank will build a new branch at 802 Yonge street, Toronto, just north of Bloor, to replace their present one at the southwest corner of Bloor and Yonge, which they will be compelled to vacate next summer because of the widening of Bloor street, which will take in the structure. The new building will be devoted exclusively to banking practice, and will be one story in height. Its cost is estimated at $25,000.

J. M. Skead, formerly assistant manager of the Sparks street office, Ottawa, of the Bank of Nova Scotia for nearly a year, and who prior to that was manager of the Ottawa South branch, has left to take charge of the Renfrew branch of the bank.

Simultaneously, C. E. Fairweather, formerly assistant manager of the Sparks street office, Ottawa, and who has been manager of the Renfrew branch, has arrived in Ottawa to resume his old position.

Ontario Savings Bank Opens New Branch

A new branch of the Province of Ontario Savings Office has been opened at the corner of Danforth and Fenwick Avenues, Toronto.

The building itself is a credit to the district. The exterior is a pleasing combination of stone and brick. The interior is bright, airy and spacious. Space has been provided for three tellers, and there is ample room for public and staff. The interior fittings are quite up to the standard of modern banking offices, the fixtures being of walnut, with green marble base. An added feature is the installation of a modern safe deposit vault containing safety deposit boxes in a variety of sizes. The installation is complete, with customers' room for the examination of securities and the clipping of coupons.

Hon. R. B. Bennett Retires from Royal Bank of Canada

Sir Herbert Holt, president of the Royal Bank of Canada, announced the resignation of Hon. R. B. Bennett, K.C., M.P., from the directorate of the bank. Sir Herbert, in addressing the annual meeting, said: "I regret having to announce the resignation of the Hon. R. B. Bennett, K.C., M.P., whose wide knowledge and broad experience, both in the East and West, made his counsel of such value to the bank. Our loss is somewhat tempered by the realization that his great ability will now be devoted to the services of the country."

DOMINION BANK CHANGES

J. W. B. Walsh, manager at North Toronto branch, has retired and is succeeded by W. O. Archdekin, formerly manager at New Toronto, Ont.

W. Helmer, formerly chief clerk at Medicine Hat, has been appointed accountant at Regina branch.

T. W. Joyce has recently been appointed manager of the Oshawa branch. Mr. Joyce succeeds C. N. Henry, who has resigned to become manager of the Oshawa office of A. L. Hudson and Co.

CANADIAN CAR'S PROFITS INCREASE DURING QUARTER

Two-Thirds of Canadian Pacific Order Goes to Company

PROSPECTS BRIGHTEN

Firm Still Hopes to Obtain Reparation for Loss of Plant in U. S.

From Our Own Correspondent

MONTREAL.—The annual meeting of the Canadian Car and Foundry Company brought forth the information that of the recent $3,000,000 equipment order from the C. P. R., $2,000,000 has gone to the Canadian Car. W. W. Butler, the president of the company, stated that the net results of the first quarter of the current fiscal year showed a large improvement over the corresponding quarter of the last fiscal year.

Mr. Butler outlined the situation in which the company finds itself and said that the possibility of Canadian Car obtaining a large reparation payment for the loss of its plant in the United States during the war is still a good gamble, and that the company is continuing to exert every effort to collect this claim. At the meeting, the president said in part:

"During the past year $402,000 was appropriated towards the writing down of our plants. The amounts so written off from the time of the formation of the company to date amounts to $6,908,454. As the gross value of our properties is shown on the printed balance sheet as $23,308,984 the deduction of the amount of depreciation leaves a net book value for all our properties of only $16,400,530 which is approximately 70 per cent. of the gross book value. This figure we believe to be very conservative, inasmuch as our properties are kept in first class physical condition, and we capitalize only the most substantial and permanent improvements.

"You will note that in addition to earning our preferred dividend during the past year we earned almost two per cent. on our common stock. I have previously announced my earnest desire to resume payment of dividends on the common stock, but I am not anxious to urge this until the expectation of being able to continue such distribution is pretty well established. It may be of interest to know that from the time of the incorporation of the company in 1910 to date, we have paid in dividends to our preference and common shareholders almost exactly $10,000,000.

Preferred and Common

"A comparison of our published statements with those of other car companies in Canada will show an equity for both our preferred and common shareholders, which should be found very satisfactory. Taking the depreciated value of our properties as being a sound present value, the equity is approximately $120 per share. The recent activity in the trading of stock of other car companies is taken as an indication of anticipated buying by the railroads in which your company should also share to a large extent. The conservative buying by the Canadian railways during the past several years has been made possible by improved operating conditions but the continued demands made by the increasingly heavy traffic throughout the Dominion, certainly warrants the belief that before long the railways will come into the market for cars both on account of replacements and renewals and also for additions to their rolling stock.

"It may be of interest to shareholders to know that during the past year your companies expended in wages and salaries slightly less than $4,000,000.

"Expenditures for materials and supplies amounted to approximately $7,000,000, of which nearly 90 per cent. was purchased in the Dominion of Canada.

"Freight paid to the railways aggregated almost $500,000 and excise taxes on materials imported totalled $150,000.

"We collected from our customers and turned over to the Inland Revenue Department sales tax on our finished products amounting to almost $400,000.

"In addition to the fixed charges for bond interest and bond retirement totalling $810,750 per annum we also expend in municipal taxes, insurance, etc., on our various properties, slightly over $200,000 per annum.

New Business Outlook

"During the current fiscal period, the first quarter of which is just completed, our net results show a considerable improvement over the corresponding quarter of the fiscal period covered by the annual report now before you. A Montreal paper recently carried a quarter-page announcement from the Montreal Tramways Company acknowledging the many letters of appreciation sent in by citizens of Montreal, of the 2100 series of street cars which were recently constructed for the Tramways Company at our Montreal plants, and which applies in the business of the first quarter of the new fiscal period to which I have just referred. Within the past week we have contracted for the delivery of miscellaneous equipment to the extent of over $2,000,000, and it is expected that further inquiries will shortly be received and that our next annual report may be even better than for the period ending September 30, 1927."

Control Purchased of Donnacona Paper

From Our Own Correspondent

MONTREAL.—The purchase of the controlling stock interest in the Donnacona Paper Company by Price Brothers has probably been accomplished out of the working capital of the large Saguenay producer. Donnacona was recently bought by Price Brothers and the Royal Securities for $14,000,000. New financing by bonds and debentures to the extent of $11,000,000 means that the equity in the property cost the purchasers $3,000,000. Thus to obtain control of the common stock of Donnacona would cost Price Brothers $1,500,000. The company can provide such a sum out of its working capital which last year amounted to over $5,000,000.

In its purchase of the control of its new subsidiary, Price Brothers has increased the timber areas on which it has cutting rights by an area estimated to contain 5,400,000 cords—the major portion of which is located on the Jacques Cartier river on which is also located the Donnacona plant. The particulars of the new Donnacona financing are announced elsewhere in the current issue of The Financial Post.

STARTS OWN FIRM

From Our Own Correspondent

MONTREAL.—Gerald P. Strong has opened his own investment firm of G. P. Strong and Company, at Charlottetown, P. E. I. Mr. Strong is a Maritimer and during the World War served overseas with the Canadian Engineers. Before initiating his own investment business, he was associated with Johnston and Ward as representative for Prince Edward Island.

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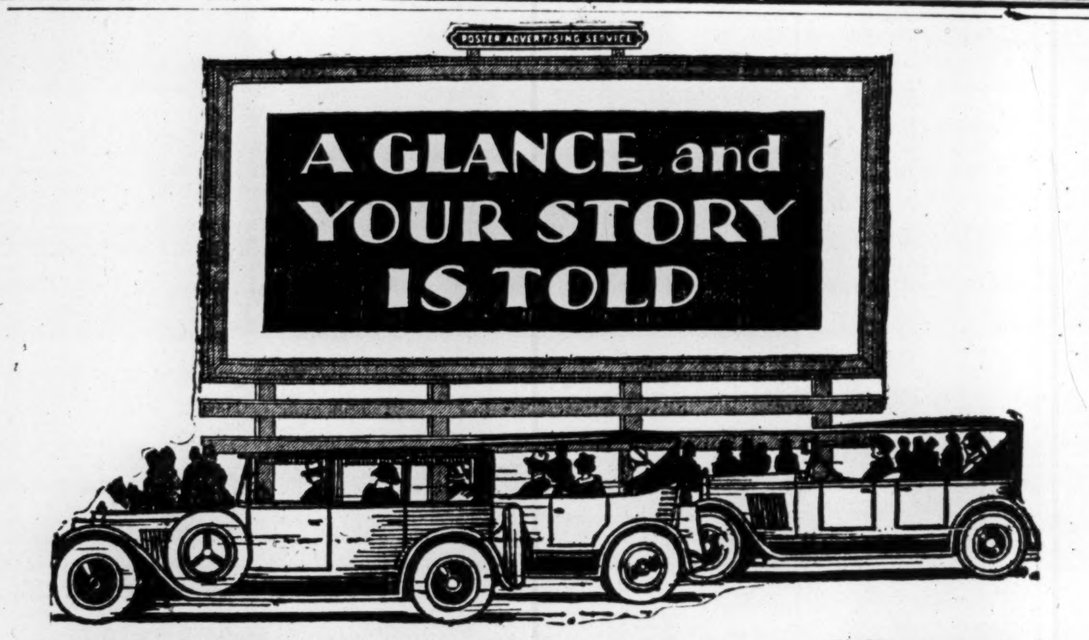
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As this issue has already been over-subscribed this advertisement appears as a matter of record only.

New Issue

50,000 SHARES

Pelissier's Limited

No Par Value—Common Stock

This Stock was offered to purchasers of the Company's Preferred Stock on the basis of Two Shares for each Share of Preferred, and the full amount of 9,000 Shares thus available was purchased. Of the amount to be outstanding, 20,000 Shares are now available on this offering.

Transfer Agent: The National Trust Company Limited.
Registrar: The Toronto General Trusts Corporation.

CAPITALIZATION

	Authorized	*To be Outstanding*
7% Cumulative Convertible Preference Stock ($100 Par Value)	$450,000	$450,000
Common Shares (No Par Value)	72,500 shares	50,000 shares

The balance of authorized common shares of no par value, amounting to 22,500 shares, are to be reserved for the conversion of the cumulative convertible preference stock.

Mr. C. P. Pelissier, President of the Company, has summarized his letter to us as follows:—

The Company: Pelissier's Limited has been incorporated under the laws of the Dominion of Canada and has acquired from the Company of the same name all of its Brewing business, plant and undertaking except a portion of the surplus represented by Bond investments.

This Company has for over three years produced in Winnipeg, Manitoba, the following brands of Beer and Ale: COUNTRY CLUB BEER, GOLDEN GLOW ALE and TRIPLE X STOUT. These brands are well and favorably known throughout a considerable part of Western Canada, and sales have shown a satisfactory increase in each of the past three years.

Plant and Property: The plant is well located on freehold property at Osborne and Mulvey Streets in the City of Winnipeg, Manitoba, and is equipped for a brewing capacity of over 200 barrels per day. It is modern and in an excellent state of operating efficiency, and the capacity can be increased by about 50% for a relatively small expenditure.

Assets: Fixed assets of the Company, including land, buildings and equipment have a present valuation, according to the certificate of the Canadian Appraisal Company Limited as at September 30th, 1927, of $460,982.78.

Net Current Assets, after giving effect to the new capitalization as at November 30th, 1927, after deduction of all current liabilities, were $124,151.87.

Earnings: Net earnings of Pelissier's Limited for the eight months ended September 30th last, as certified to by Messrs. Dunwoody, Nicoll & Company, Chartered Accountants, were, after all operating charges, maintenance, depreciation and provision for Federal Income Taxes, $103,077.53—equivalent, after deducting Preferred dividend requirements for a similar period, to $1.64 per share of Common Stock, or at the annual rate of about $2.46.

Preferred Stock Provisions: Preference Stock is preferred as to dividends and capital; redeemable in whole or in part at $110 per share and accrued dividends; convertible into Common in the ratio of one to five. Dividends may be paid on Common only when net current assets after such dividends, amount to $150,000. Holders of Preference Stock are not entitled to vote at meetings of shareholders except when four quarterly dividends are in arrears, whereupon and so long as dividends are in arrears they will have one vote for each share held, with the exclusive right to elect the directors of the Company.

General: The business of the Company has shown a most satisfactory growth over the past three years, gross sales having increased from $165,746 for the thirteen months ended January 31st, 1925, to $447,135 for the nine months ended October 31st, 1927. Sales for October and November, 1927, show an increase of more than sixty (60%) per cent. over the same months of 1926, while the December sales are estimated at about $50,000. The management looks forward with confidence to a continuance of this growth and estimates that profits for the next fiscal year will substantially exceed the current year.

The Board of Directors will include the following: C. P. Pelissier, President, T. Cuthbert Anderson, Fred H. Bole, Arthur DeJardin, Bruce Richardson, D. Clive Betts, and G. E. Harley.

We offer these shares, subject to prior sale, for delivery if, as and when issued and accepted by us, subject to the approval of all legal proceedings by Messrs. Long & Daly, Toronto, and Mr. H. W. Whitla, K.C., Winnipeg.

PRICE: $13.00 per Share.

Application is being made to list these Shares on the Unlisted Department of the Toronto Stock Exchange and on the Winnipeg Stock Exchange.

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Cheaper Insurance Means Less Profits for Shareholders

Present Share Prices Are Based on Record of Past

MANY CONCERNED

General Trend Toward Low-Cost Policies Would Affect Stockholders' Profits Materially

Shareholders in Canadian life insurance companies are beginning to be concerned as to the effect upon their holdings, of this plan on the part of some of the Canadian companies to write a new low-cost participating policy.

In the past few years, the prices of insurance company stocks have increased to a fabulous degree—very largely on the basis that shareholder dividends and bonuses are expected to continue on the same generous scale characteristic of the past.

Will these generous distributions be continued if all the Canadian companies adopt this low-cost plan of protection as part of their policy program?

The answer seems to be that shareholder earnings must decrease in proportion as this low-cost plan becomes prevalent in Canadian life insurance.

Four Important Companies

Taking four of the important Canadian life stock companies at the beginning of 1926, the record of stock and cash dividends is an imposing one.

These four shares represent a paid-up capital value of $325, and could have been obtained on the market for approximately $980.

One of these companies in that period, has paid, in addition to a regular cash dividend of 20 per cent. per annum, a further cash bonus of 60 per cent., of which 50 per cent. was paid in one year and 10 per cent. the next year. The stock in this case is 100 per cent. paid up, so that in two years, the shareholders have received 100 per cent. in cash by way of bonuses and dividends, on a stock whose par value is $100.

Taking the four companies together, the actual cash disbursement to the shareholder, (including both regular and bonus payments) would have been $180. In addition to this cash distribution there would have been received the cash equivalent of $45, by way of a stock bonus, which went to further increase the amount of paid-up capital on the shareholders' stock.

Yield Basis

Figuring this on a yield basis, the shareholder who purchased in 1926 for $980 would have received nearly 12 per cent. per annum (most of which was payable in cash), and on the basis of paid-up capital stock value ($325), the yield would have been 35 per cent. per annum for these two years. This 35 per cent. rate of yield would be equivalent to a regular 35 per cent. rate on the par value of an ordinary industrial stock on account of the fact that the paid-up capital of an insurance company is the basis upon which dividend rates are based. Furthermore, it must be remembered that this 35 per cent. rate on the "par" or paid-up value of the stock in 1926, would probably jump to an actual annual yield of between 50 and 100 per cent. when it is considered that originally these stocks were only paid-up to a fraction of their present paid-up value, and that these additions to paid-up capital have been made largely by means of previous stock bonuses.

In other words, Canadian life insurance stocks have for the past few years been able to return almost amazing profits to their shareholders, and it is upon their ability to continue this record in the future, that the prices of these stocks have been carried sky-high in the markets of late. The question therefore, as to whether or not this record is likely to be affected by this recent trend towards low-cost life insurance, is a very important one to the insurance stock investor at the present time.

The question naturally arises, "where exactly do these profits come from?"

Two Sources of Profits

For the average Canadian company which writes only the ordinary life insurance business, there are two sources of profits which may accrue to the benefit of shareholders. Broadly speaking these two sources of profit are participating business, and non-participating business.

Take first of all the profits from non-participating business. According to the Dominion insurance act, all profits on this business are applicable to shareholders account, but they need not be distributed each year. They may be left in the non-par shareholders account, and transferred at any future time into shareholders account. The amount of profit from this source depends to a large degree upon the amount of business which a company writes upon this plan.

Three or four companies in Canada write only non-participating business, but for the average company, non-participating business forms only a small percentage of total business. With some companies this probably runs as high as 25 per cent., but for most companies, 10 per cent. or 15 per cent. would be more accurate.

This leaves to be considered the profits from the other source, namely, participating business.

Dominion Insurance Act

According to the Dominion insurance act, under which most Canadian life insurance companies are operating, the company in any one year may allot whatever profits it sees fit to this type of business. This allotment to take place, of course, after the proper items such as reserves, etc., have been cared for. These profits may be alloted in any one year, but cannot be made retroactive. In other words, if no profits are allotted in any year, the reserves or surplus that would accrue cannot be distributed to policyholders in the next or subsequent years.

Supposing, however, a distribution of profits is made out of participating business, then these profits must according to law be distributed in a certain way between shareholders and policyholders. This law requires that at least 90 per cent. of such profits must go to the policyholders of the company, and the remainder may go to the shareholders. At the company's option, this ratio may be increased in favor of the policyholders, with the result that two of the biggest Canadian companies now distribute 95 per cent. of these profits to policyholders and only 5 per cent. to shareholders.

Nine to One Basis

There is no absolute uniformity therefore at the present time, in this regard. One of the large stock companies has never distributed any of the participating profits to its shareholders, but has always made the distribution to its policyholders. As a rule, however, most of the stock companies distribute these profits on the nine to one basis.

How then would an adoption of a low-cost participating policy, affect shareholders profits from this class of business?

For years the companies have been boasting about the tremendous profits which they are returning to policyholders in the form of dividends. Some of the companies actually return a 25 per cent. dividend to the policyholder at the end of the first policy year.

That means that they collect $35 from the policyholder and within twelve months return $7 or $8 in the form of dividends.

Thus in one year a company which distributes participating profits on a nine to one basis, and writes $20,000,000 of business, would pay in one year, something like $4,500,000 in dividends to its policyholders, and on a nine to one basis would distribute $5,000,000 to shareholders.

Now cut this participating premium to the levels announced in Dec. 30 issue of The Financial Post. Instead of paying $7 or $8 in dividends, the low rate would only allow for perhaps $1.50 or $2 per year to be paid to policyholders as dividends. On the same estimate of $20,000,000 of business written, this would cut the amount of policyholder dividends to about a little more than $1,000,000, and shareholders profits would likewise be scaled down from $500,000 to about $125,000, in one year. About one-quarter if the rates were generally applied to participating business.

Rough Estimate

These figures are necessarily somewhat of a rough estimate, because the rate of dividends is not uniform among Canadian companies, nor are premium rates absolutely similar. Furthermore there has as yet been no opportunity of computing the actual amounts of scale of dividends which will be paid on the new low-cost policies. Another factor to be taken into consideration is the wide difference in the practice of the various companies, as to distribution of dividends; types of business written, etc.

Again it must be remembered that not all participating business is written on the ordinary life plan, and that as yet only ordinary life business is being written on this low-cost basis. However, it is not impossible to imagine a general reduction of participating rates taking place on all plans, in which case this rather hypothetical estimate of the effect upon shareholders dividends would become very real indeed.

Thinks Everybody Should Read Post

Editor, The Financial Post:

I believe your paper should be read by everybody who has or is contemplating placing money. I find great value in reading your comments on such as Harvie, Amulet, Brooks Steam Motors, Noranda in all of which I am interested.

—Letter from an investor.

QUEBEC'S PLAN FOR INSURANCE IS WELCOMED

Insurance Companies Are Pleased with Compensation Scheme

Fifty insurance companies heaved a sigh of relief this week when Premier Taschereau announced to the Quebec legislature the kind of workmen's compensation law which is to be brought into the province this year.

As predicted in The Financial Post some four weeks ago, the law will be administered by private companies, under a commission which will eliminate recourse to the courts, and whose ruling will be final.

Minimum of Opposition

Of course the law has yet to be submitted to the House, but in view of the fact that the decision has been reached only after nine months of study and deliberation with all the interested parties, there is little doubt but that it will be passed with the minimum of opposition, and will be speedily put into force.

The final plan which has been evolved by the government as a solution to this vexatious problem, is said to have been reached as result of definite schemes of operation which have been submitted to the government by the various interests which are concerned in the matter. In addition, the government appointed an official commission which visited various parts of the country in order to study the different systems under which workmen's compensation functions.

This announcement by Premier Taschereau, probably marks the final stage of a question that has been under active discussion for nearly three years. At that time a royal commission was named to investigate the question of compensation, and a new and greatly increased scale of benefits was decided upon for the province. The royal commission, however, disagreed as to the question of how the new act should be administered, and found itself unable to agree as to whether a judicial system of control was preferable to the appointment of a commission to operate the law.

New Act

Without committing itself to either system, the government followed the majority idea of a commission, and brought in a new act which was to take effect on April 1, 1927, with no interference in the writing of business by private companies.

However, the insurance companies did not file their schedule of revised rates until a few months before the Act was to come into force. When these rates were filed it was found that the cost of compensation to employers in Quebec would be greatly in excess of the cost in other provinces, particularly in Ontario. This caused a very decided protest from the manufacturers and business men of the province, with the result that two weeks before the Act was to go in force, the government decided to cancel it altogether and return to the old system for another year at least.

Thus the old system has been retained for the year 1927, and will probably remain in force until April 1, 1928, when the new act will doubtless be introduced. As yet there has been no announcement as to what benefits or rates will prevail, but it is believed that the new rates will be much less of a burden on the manufacturers than the scale which was to have gone into force in April, 1927.

Premier Taschereau's reference to the new act is as follows:

Two Objections

"Take first of all the workmen's compensation question, which two years ago occupied the attention of the House. Our last law, though more generous towards workmen than the present law, presented a flank to two objections, one raised by the workmen, the other raised by the employers. Basing themselves on the system in force in other provinces and in many countries, our workmen wished the administration of the law to be left to a governmental commission so as to avoid judicial costs, delays, and all intervention of third parties, which, in many cases, secured part of the indemnity. The employers, on their part, objected to the creation of a commission and represented to us that the insurance rates demanded by the insurance companies were too high and placed Quebec industry in an inferior competitive position with that of the sister provinces.

Since the last session we have been re-studying the matter, and, with the aid of distinguished lawyers have compared the legislation existing in the neighboring provinces and in the United States. We believe we now know the advantages and disadvantages of such foreign legislation, and we believe that the new law which has been prepared will give satisfaction to the workmen and the employers.

No State Insurance

Our project provides for the nomination of a commission which will administer the law without recourse to the courts, without costs, and whose ruling will be final. Consequently, the workmen will obtain what they want. On the other hand, we do not accept the idea of State insurance. Insurance will remain in the domain of the employers, of companies and of private initiative. We would have much cause for hesitation in undertaking a business which in no way appertains to a government. In other words, we halted at a system which meets both the views of the employers and the workmen. This project of law will shortly be submitted to the House, and we have confidence that it will be acceptable."

AUTO RISK RATES ARE TO BE FIXED WITHIN TEN DAYS

Auto Insurance Companies Will Hold Meeting on January 30

Within ten days the final word in 1928 tariff rates on automobile insurance will have gone forth, and the rating program of the companies for the coming year will be announced.

On Jan. 30, a general meeting of the automobile insurance companies who are at present working as, or in conjunction with, the Canadian Automobile Underwriters' Association, will be held, and final details of the 1928 rates will be agreed upon. At the present moment, the new rate schedule is in the hands of the companies, after having passed through a gruelling three-days session at the hands of some fifty company representatives who compose the rule and rate committees of the Underwriters' Association.

These company representatives comprise both tariff and non-tariff companies, as it will be remembered that at the annual meeting of the association held last November, some 21 companies which had been operating on a non-tariff basis, applied for provisional membership in the association, and are now pooling their ratings and experience in an effort to stabilize the business for 1928.

91 Member Companies

If the new rates that will be announced on Jan. 30, are satisfactory to these 21 provisional members, it will mean that they will remain in the association for the coming year, and that the association would then comprise some 91 member companies, which would represent a majority of the automobile business written in Canada. If the rates do not prove acceptable, the provisional members will have the opportunity to withdraw, and to operate again as non-tariff units, on their own scale of rates.

There seems to be no doubt that the new scale of rates will show substantial increases in the realms of public liability, property damage, and collision risks. The latter will probably show the greatest jump, some rumors even going so far as to predict that there would be a 75 per cent. increase in this particular coverage. Two other forms—public liability and property damage—are due for an increase, estimated by some to be between 10 and 15 per cent.

There is no official confirmation for any of these figures, and it is highly improbable that such drastic changes will be made as that which is rumored for collision protection.

It is understood that the other two branches of automobile coverage, namely, fire and theft will, in all probability, remain unchanged, or at most will only be subject to minor adjustments.

YEAR'S BUSINESS OF CANADA LIFE ADDS $96,500,000

Company Rolls Onward to "Billionaire" Class

With its face turned definitely toward the goal of a "billionaire" company, The Canada Life Assurance Co., has recently issued its 81st annual report, which announces a total insurance in force of $769,982,000. A year ago the company had assurance in force of $673,390,000, so that the net gain for the year amounts to something like $96,500,000.

Taking the company's record for the year, the report shows that in 1927, new assurances issued amounted to $157,179,000, as against $147,321,000 for the year 1926. New paid-for assurance for the year totals $136,939,201.

Reviewing the company's progress for the year, the company reports substantial increases in every department, with business distributed throughout Canada, United States, and the United Kingdom. Total assets according to the company's balance sheet, stand at $140,580,000, an increase for the year of $13,330,000. The more important items under this head are as follows: government bonds, $24,469,000; municipal and other bonds, stocks and debentures, $37,693,000; mortgages on real estate, $46,745,000; loans on policies, $20,071,000.

In commenting upon his company's investments, President Herbert Cox draws attention to the fact that the company is now turning its attention to a larger degree to industrial and public utility bonds both in Canada and the United States. The Canada Life has for many years stabilized its interest rate by investing its securities to a considerable degree in real estate mortgages, which are about equally divided between city and farm properties, embracing practically every province and important centre of population in the Dominion.

On the liability side of the sheet, the company shows a surplus of $7,971,000, which includes dividends to policy holders payable during 1928, amounting to $4,660,000. Contingent reserve stands at $500,000 as in 1926, and investment contingent reserve has been during the year increased to $783,000.

The following items show comparative figures for the past two years:

	1927	1926
Income		
Premium income	$ 26,045,329	$ 24,840,119
Interest income	7.350,896	6,597,687
Business		
New assur. issued	157,179,357	147,321,211
New paid for bus.	146,492,001	136,939,201
Ttl. assur. in force	769,982,182	673,390,369
Assets, etc.		
Total assets	140,580,677	127,247.503
Policyholders' reserve	124,810,589	112,530,400
Surplus	7,971,475	7,415,026

CONFEDERATION'S POLICIES IN FORCE ARE $258,000,000

Issued $51,000,000 of Business During Past Year

The most successful year in the company's history was reported this week at the annual meeting of the Confederation Life Association. This company has been operating now for 56 years and has in force a total assurance of $258,466,000 as against $230,747,000 in 1926. During the year the company issued $50,872,000 of new business, as against $45,076,000 in 1926. Included in this year's report is $2,600,000 of group insurance which marks this company's initial effort in this direction.

The assets of the company stand for the year at $57,133,000, as against $50,660,000 a year ago. The biggest increase here is due to the increased holdings of bonds and debentures which stand for the year at $31,800,000 as against $27,700,000 in 1926. In commenting on the company's investments, President J. K. MacDonald remarks that the decline in interest rates has led to a number of insurance companies seeking investment in the bonds of foreign governments at prices yielding from one-half of one to three per cent. in excess of interest rates obtainable in our own Government bonds. Mr. MacDonald predicts that this tendency will continue as Canadian companies continue to maintain and extend their foreign branches. Other items on the asset side of the balance sheet, show stocks amounting to $1,862,000; first mortgages on real estate, $8,890,000; and loans on the company's policies, $8,467,000.

Among its liabilities the company shows surplus funds available for distribution amounting to $6,589,000. This compares with a similar item for 1926, of $5,853.000. The 1927 item is comprised of the following: $2,659,000 allotted to accumulated dividend policies; $3,026,000, provision for annual and quinquennial dividends not yet due; $161,000 in non-par branch: $32,000 in shareholders surplus funds; $710,000 contingency surplus fund.

Comparative items for the past two years are as follows:

	1927	1926
Income		
Premium income	$ 11,118,712	$ 9,698,788
Interest income	2.947,556	2,579,637
Business		
New assurance issued	50,872,295	45,076,775
Total assur. in force	258,466,184	230,747,937
Assets, etc.		
Total assets	57,133,487	50,660,858
Policyholders' reserve	49,115,680	43,621.663
Gross surplus	6,589,901	5,853,248

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Canada Life Assurance Co.
ESTABLISHED 1847
Herbert C. Cox, President.
E. R. Wood, LL.D., Vice-President.
Leighton McCarthy, K.C., Vice-President & General Counsel.
T. G. McConkey, General Manager.

SOME OUTSTANDING FEATURES OF THE 81st ANNUAL REPORT

Profits Paid Policyholders in 1927
Total profits paid to policyholders in 1927 amounted to $4,253,000.

Surplus Earned
During the year 1927 the amount of surplus earned was $5,127,000; for the first time in its history the Company exceeded the five million mark in surplus earned.

Benefits Paid in 1927
Out of a total amount of $15,243,335 paid in benefits during 1927, living policyholders received $9,939,076.

Profits to be Paid to Policyholders in 1928
A total of $4,660,000 will be paid in profits to policyholders during 1928.

Assets for Protection of Policyholders
Policyholders are protected by policy reserves amounting to $124,810,000. This is the legal reserve, but the total assets of the Canada Life are now more than $140,500,000.

Total Business Issued in 1927—$157,000,000

		Increase
Total Insurance in force increased to	$769,982,000	$96,591,000
Total Assets increased to	140,580,000	13,333,000
Reserves for Protection of Policyholders	124,810,000	12,280,000
New Assurances paid for in 1927	146,492,000	9,552,000
Total Income for 1927	34,378,000	2,346,000

During the year the large sum of $4,253,000 was paid in dividends to policyholders.
(A Complete Annual Statement Will be Mailed Upon Request to Head Office at Toronto)

THE FINANCIAL POST

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Hardships and Perils of Early Western Days Undaunted Hutchings

Largest Individual Shipper Out West Was Ontario Boy—Heads Great West Saddlery Company

By GARNETT CLAY PORTER

Probably the largest individual shipper on Western railways to-day is a former product of an Ontario farm who at one time worked with a pick and shovel in helping build the pioneer transportation line into the country. That sentence is a cross section of Elisha Frederick Hutchings' career, a romance of big business rooted in the muskeg of the north shore and rounded out in the atmosphere of pioneer hardships into which "cowards never dared and the weak died on the way."

Hard times may make some men hard but out of the welter of a period that tried men's souls this Ontario farm boy emerged with his heart still attuned to pleasant human contacts, a sound body, the head of a score of great industrial enterprises and a fortune variously estimated at ten million dollars. At seventy he is still going strong, with his finger on the pulse of his many business enterprises, around his office before the janitor has finished each morning and able to take an animated interest in the spirit of civic affairs and people.

Built Fine Highway

At a meeting of five hundred business men in Winnipeg the other day Col. Ralph Webb, the retiring mayor, took occasion in talking of the good roads movement to remark that "Hutchings built the fine highway from Winnipeg to the International border though he lost $200,000 on the contract." There were vociferous cheers and laughter and Hutchings laughed as heartily as any one present.

E. F. Hutchings is not in the habit of losing in business transactions. That is not the history of the man. He has the magic touch when it comes to accumulating dollars, but on that road work (an entirely new field of endeavor for him) Hutchings was so determined that the main highway from Winnipeg to the border should be put through in a workman-like way that he did a good job regardless of his contract—and he was surprised that his losses were not heavier.

He is like that—to make a good job. That was the reason he couldn't stay on the old family farm near Newboro, Leeds County, Ontario, where he was born June 13, 1855. It was a good farm and promised, as his neighbors and family explained to him an "easy life."

"But that was precisely what I was not seeking," explained Mr. Hutchings with a laugh, recalling those boyhood days. Even at that early period he was developing that divine spark that makes men pull against the stream. The great West was to be conquered by those of flaming courage. It was a compelling urge. He did not have time to go to school, so he came West and later educated himself in a Winnipeg night school while he was laying the foundation of his fortune.

Threw up Job

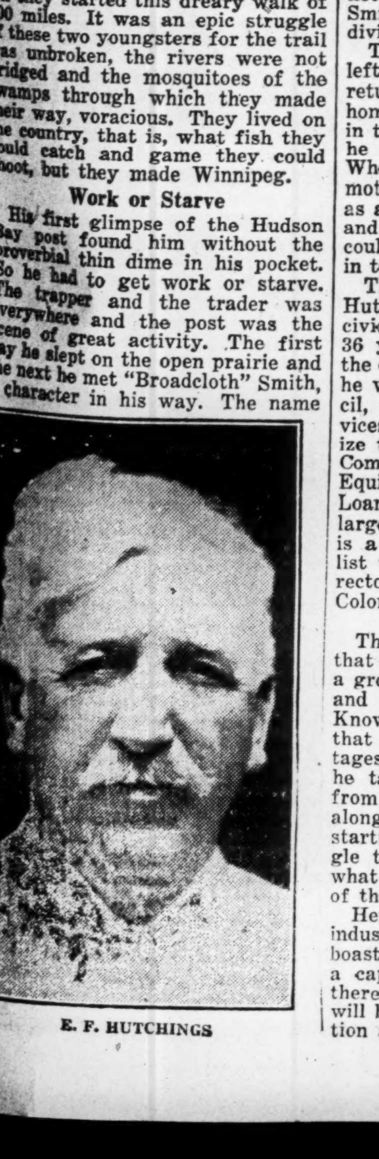
There is red romance in the life of E. F. Hutchings. He lived it and he still refuses to admit the romantic angle—"just a job to be done" is the way he laughs it off. During his farm experience at home he was working in a saddler's shop at Newboro, stitching leather. He suddenly broke off his connections, and not yet eighteen, went to Port Arthur and got a job with a pick on the C. P. R., then building westward.

E. F. Hutchings was more than 6 feet tall, a sliver of a youth, strong as an ox, but not built for that kind of work. Such a posture for a tall, lanky lad was not only uncomfortable—it made him the butt of much ridicule. Even the foreman "poked fun" at the boy. He stood a lot of it and then one day flared up, tackled the big boss with a club, chased him off the right of way and incidentally chased himself out of a job.

"Somewhere west," was Ft. Garry, now Winnipeg, and, with a companion they started this dreary walk of 500 miles. It was an epic struggle of these two youngsters for the trail was unbroken, the rivers were not bridged and the mosquitoes of the swamps through which they made their way, voracious. They lived on the country, that is, what fish they could catch and game they could shoot, but they made Winnipeg.

Work or Starve

His first glimpse of the Hudson Bay post found him without the proverbial thin dime in his pocket. So he had to get work or starve. The trapper and the trader was everywhere and the post was the scene of great activity. The first day he slept on the open prairie and the next he met "Broadcloth" Smith, a character in his way. The name came from a long tailed coat he wore. The Indians called him "Cheat Smith" and among the traders he was "Bilk Smith." But all this Hutchings did not know.


E. F. HUTCHINGS

Yet Hutchings' experience with old Smith illustrates how good comes of evil if there is resolution, robust health and the understanding heart involved. Smith offered him his first job on the plains, driving a bull team to Edmonton. He whetted the young Ontario boy's appetite for adventure by explaining that at Edmonton gold was to be dug on the river banks.

So Hutchings took the job, drove the thousand miles during three months and at the Hudson Bay post which then marked the present site of Alberta's capital was told by Smith he had no money to pay him. But that did not disturb the youngster, for wasn't he going down on the river bank and fill his pockets with gold? And it is of record that this persistent example of Ontario pluck did try the gold digging job. He actually found a little "dust" and to-day the only ornament E. F. Hutchings wears is a big ring made of the gold he panned out of the Saskatchewan River at Edmonton. And he laughs when he tells the story and exhibits his trophy.

Built Log Hut

Winter was coming on and he had no place to live. He went to the edge of the post reserve and built himself a log hut. He had to surround it with a high fence to keep out the wolves. The door was a buffalo hide. In this dreary abode Hutchings lived that winter, chiefly as he explains, on game he shot around the post and in the river.

In the spring he concluded to return to Winnipeg and try there again to establish himself. It was another thousand mile walk and again he lived off the country. Other pioneers were making the trip but Hutchings got sick and in his exhausted condition was left to die on the trail. In fact his companions understood he was dead when they left him. But he was found by a friendly trapper and when he did finally reach Winnipeg one of his companions of the trip he met at night at the post thought it was the ghost of the man they had left dying on the trail; and fled with yells of terror.

It was the very next day that E. F. Hutchings got a job with a man conducting a small saddlery business on the muddy banks of the Red River. It was not long before they formed a partnership and opened a store on what is to-day Main and Portage corner. That was the foundation on which E. F. Hutchings built. When his partner died shortly afterwards he continued the business. To-day that business is the Great West Saddlery company with factories in Winnipeg, Calgary, Regina and elsewhere. Great warehouses extending over the country and with an annual turnover larger than any similar business in the Dominion. He is the president and guiding genius of the great machine he constructed through the years with such endurance and skill.

Hutching's Slogan

The Great West Saddlery Company is listed in commercial directories as "the largest saddlery business in the world." That is the basis of E. F. Hutchings' interest in good roads. "Anything that benefits the farmer benefits the country in the best sense of the word." That is his slogan and he lives up to it.

Now to hark back to the lone shack on the river bank at Edmonton with its stout fence to keep out the wolves. Years later Edmonton began to develop. Squatters' rights had to be considered. Though long since abandoned Hutchings interest in the shack had not lapsed. He ultimately received ten thousand dollars for the property which, invested in land at different points netted him a fortune. So "Bilk Smith's" duplicity paid a handsome dividend after all.

Ten years from the time he had left the parental roof Mr. Hutchings returned for the first time to his old home. Mails were not so numerous in the days when he came West and he had lost track of his family. When he walked in he handed his mother a check up in four figures as a present. They were astonished and one neighbor remarked "no man could get that much money honestly in ten years."

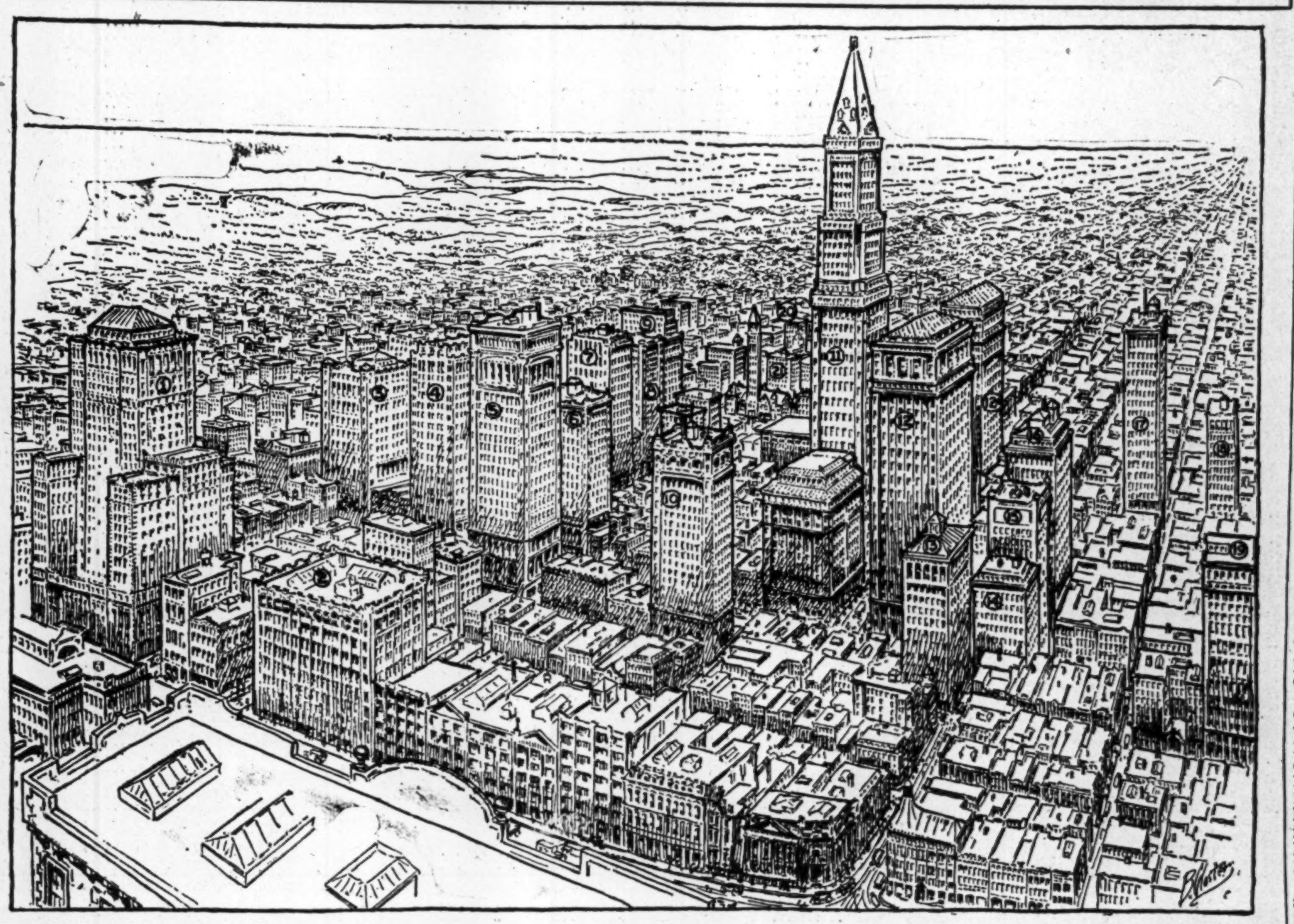
There is no finer tribute to E. F. Hutchings' business ability and civic spirit than the fact that for 36 years he has been chairman of the civic sinking fund. For six years he was a member of the city council, when members gave their services without pay. He helped organize the Great West Life Assurance Company and is president of the Equitable Trust Co., the Capital Loan and Trust Co., and of six other large industrial organizations. He is a director of so many that the list would read like a business directory, and a fellow of the Royal Colonial Institute of London, Eng.

Knowles Boys Home

There is one obscure institution that E. F. Hutchings seems to get a great thrill out of giving his time and money to and that is the Knowles Boys home. The boys of that institution are getting advantages that he never dreamed of, but he takes time and money enough from his large business to help them along as if he can see himself just starting there again the grim struggle to find a place for himself in what was then the "no man's land" of the great northwest.

Here is something this captain of industry likes to broadcast, likes to boast of. He is an Imperialist with a capital letter. He doesn't think there is anything on earth or ever will be as worthy of human admiration as the British Empire.

Many Real Estate Bond Issues Before Toronto's New Sky-Line Takes Shape



An artist for the Evening Telegram, Toronto, drew this picture of Toronto's downtown area as it will appear, if, as and when all the important office buildings and hotel projects now under way are completed. The interests of the investor in these structures is chiefly due to the fact that a very high proportion of the new projects are being financed by the issuance of first mortgage real estate bonds. Incidentally, there are many who question if Toronto can utilize all the extra office space that these buildings will provide and it is to be expected that some of the projects will be abandoned. The picture shows the following buildings: (1) C. P. R.'s Royal York Hotel, now going up. (2) Commerce and Transportation Building, practically financed and soon to be erected. (3) Suggested Mail and Empire Building, not yet started. (4) Toronto Star Building, now going up. (5) Wood-Gundy office buildings said to be a certainty. (6) Canada Life Assurance Company Building, projected. (7) Northern Ontario Building, now fully occupied. (8) Atlas Building, nearing completion. (9) Sterling Trusts Building, not yet started. (10) Canadian Bank of Commerce head office, announced last week. (11) The Toronto Towers, believed to be fully financed and shortly to be erected. (12) New office building in connection with Toronto Towers. (12A) A new hotel in connection with Toronto Towers. (13) Dominion Bank Building, built before the war. (14) Bank of Hamilton Building, which was the highest office building in the British Empire when it was known as the Traders' Bank Building, but which is now a veritable pygmy besides its neighbors. (15) C. P. R. Building, built in 1912 or 1913. (16) Royal Bank Building, several years old. (17) Metropolitan Building, shaped like a jack knife and now the tallest building in the British Empire. (18) Excelsior Life Building, occupied for some years. (19) King Edward Hotel, with annex built seven or eight years ago. (20) New Ford Hotel, almost completed.

Name Flying Field "Lindbergh" While Canadian Aces Ignored

EMULATION or even imitation, if it springs from admiration of famous men, is not a vice but a virtue, and, no doubt, it was this that the old Greek philosopher had in mind when he said that no country could ever be truly great unless it remembered its heroes and sages. Nor is there anything narrow or illiberal in such an attitude.

It comes, therefore, as an unpleasant surprise to learn that the first flying field in Canada to receive a name is the "Lindbergh" field in Ottawa. This field, we understand, is owned by the Hunt and Golf Club of Ottawa, and was so named last July when the great United States' airman flew the Spirit of St. Louis to the Canadian capital. If it was essential to name the field after a foreign airman, then, undoubtedly most Canadians would prefer to see Col. Lindbergh honored. There can be no doubt either of his merit or fitness.

* * *

HOWEVER, is it necessary or wise for Canadians to seek out the heroes of other countries when a place-name is desired? It has not been so in the past and surely it cannot be so to-day. Need Bishop or Barker or Brown fear comparison with any knight of the air? We think not and, furthermore, are quite sure that Lindbergh, himself, would have applauded the preference of any of our great airmen above himself. Indeed, it is difficult to see how the action of the Ottawa club can be interpreted as other than a reflection upon them.

This may seem a little thing and yet it is remarkable how great a part has been played in the building and perpetuating of tradition by just such little things as this. The National Geographic Board, made up of distinguished scholars and historians, has been doing splendid work in recent months in this very field. The names of stations on the Hudson Bay railroad, for example, have been changed, despite the resentment of the local population, and instead of such names as "Mutt" and "Jeff", the outstanding explorers and geologists of the country are remembered.

* * *

CITIZENS of Canada should look about them. How many know that in these chilly, wintry days when we rush home to a warm log fire, six Canadian airmen are flying on daily patrols from one end of Hudson Straits to the other? A few weeks ago one of these airmen, caught far out in the Bay with a failing engine, actually landed his plane on a large cake of ice and remained there over night until rescued.

Canadians do not need to go elsewhere in search of great men worthy of honor in place-names, and it is to be hoped that the action of the Ottawa club will be considered a mistake and not a precedent.

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the richest group of companies in aggregate wealth in the world. Over 650 shareholders of Diversified Standard Securities, Limited, through this Trust, are sharing in the dividends and in all extra payments, bonuses, "melons," etc., that are made periodically by these companies.

The Trust agreement provides that the security back of this investment must at all times be equal to at least 100% of the par value of the Preferred Stock outstanding.

We believe this investment offers a high degree of security, an exceptional yield and, through the Common Stock, great possibilities.

Circular describing this investment sent on request.

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United States Market Opens for Our Cattle and Farmers Benefit

High Prices Enable Livestock to Climb Over United States Tariff Wall and Sell in That Market

From Our Own Correspondent

OTTAWA.—Prevailing prosperity of Western and Ontario farmers is the result, in no small measure, of the high prices now obtaining in the livestock markets of this continent. These prices are so high and have been so for such a long period, that it has become a matter of general interest to the business interests of the Dominion.

The apparent shortage of meat in the United States and Canada has resulted in a complete re-direction of the Canadian export cattle trade and has wrought a notable change in the trade figures between Canada and Great Britain, on the one hand, and Canada and the United States on the other.

Statistics issued this week by the Federal department of agriculture show that exports of cattle in the 11 month period ending November 30, were 267,933 head in 1927, as compared to 219,368 head in 1926, or a clear gain of nearly 50,000 head

The calendar year 1926 was marked by a large export movement to the United Kingdom, whereas in 1927 this movement has practically ceased. In the first 11 months of 1926 exports to Britain totalled 74,173 head, and for 1927, only 8,263 head. Exports to the United States in these two years were: 141,630 head in 1926, and 255,911 head in 1927.

An examination of the statistics showing the available supply of meat in the United States indicates that the demand for Canadian cattle will continue indefinitely. Cold storage holdings in the Republic in December were 16,366,970 lbs., and the five-year average of holdings in that month was 25,142,642 lbs., indicating a shortage of nearly 10,000,000 lbs. This explains why present prices of beef are so high in the United States, being higher than at any time since 1919. The average price in November was 14 cents per lb., and in Great Britain, 10 cents per lb. In choosing between the two markets, the Canadian exporters have had to calculate the cost of shipping by rail and ocean in one case and by rail plus tariff in the other. It works out at an advantage of about 3 cents per lb. in favor of the United States market.

Government officials, as well as the exporters themselves, would prefer to ship to the Old Country and an effort will be made in the next few weeks to bring about a reduction in the present ocean rate on cattle of $15 per head.

Viau Biscuit Shares Have Doubled Value

From Our Own Correspondent

MONTREAL.—Within the past week or two the common shares of the Viau Biscuit Company have risen from about 15 to a new high of 30. Those associated with the undertaking feel that there are no new developments in the company which have been responsible for the appreciation. The annual report of the Viau Biscuit Company should appear shortly and no doubt the earnings will show a betterment from the initial year's operations. This may explain the strength in the shares.

The stock is generally regarded as having a nominal value ranging around 25, but through lack of interest in the issue it sagged to 15. The Viau Biscuit Company is doing a satisfactory business, but dividends on the stock are still considered to be emote. Some months ago, it is understood that one of the other biscuit companies made a bid for the stock, but the offer was turned down.

The T. Eaton Co., Ltd., will erect during 1928, a very substantial addition to its store at Hamilton, set up only last year.

ADDITIONAL ISSUE

$1,000,000

The Canadian Salt Company, Limited

5½% First Mortgage Sinking Fund Gold Bonds, Series "B"

Dated January 1st, 1928. Maturing January 1st, 1946. Principal and semi-annual interest (January 1st and July 1st) payable in gold coin at the Bank of Montreal, Montreal, Toronto, Windsor, Winnipeg, Vancouver, Halifax or Saint John, N.B. Coupon Bonds of $1,000 and $500 denominations, with privilege of registration as to principal. Redeemable as a whole or in part, at the option of the Company, on sixty days' notice, at 103 up to and including December 31st, 1935, and thereafter up to and including December 31st, 1944, at 103 less ¼ of 1% for each calendar year or part of a calendar year comprised in the period from January 1st, 1936, up to and including the date fixed for redemption, and after December 31st, 1944 at par; in each case with accrued interest. Trustee: The Royal Trust Company, Montreal.

CAPITALIZATION
(On completion of this financing)

		Authorized	Outstanding
First Mortgage Bonds, due 1946	Series "A" 6%	$1,500,000	$1,480,500
	Series "B" 5½%	3,500,000	1,000,000*
Common Shares (now paying 8% dividend)		1,500,000	1,500,000

*This issue.

Current quotations for the Common Shares on the Montreal and Toronto Stock Exchanges indicate a market value of the equity junior to the First Mortgage Bonds of both series of approximately $2,300,000.

The following information has been supplied to us by Sir Thomas Tait, President of the Company:

THE COMPANY: The Canadan Salt Company, Limited, is much the largest producer of salt in Canada, and is the only Canadian producer for sale of liquid chlorine, caustic soda and bleaching powder.

The Company owns and operates at Sandwich, Ontario, up-to-date and completely equipped plants for the production of liquid chlorine, bleaching powder, caustic soda and muriatic acid. Its salt plant is located at Windsor, Ontario. The business of the Company and its predecessor (The Windsor Salt Company), has been in successful operation for over thirty-four years.

BOND ISSUE: Bonds of Series "B" rank equally with those of Series "A" as a first mortgage and charge on all the fixed assets of the Company now owned or hereafter acquired, including bonds, debentures and shares, and a floating charge on all other assets of the Company. Additional bonds of Series "B" or other series may only be issued under restrictions contained in the Trust Deed.

PURPOSE OF ISSUE: The proceeds of this bond issue will be used to provide part of the cost of extensive additions to plants and equipment necessitated by the increased demand for the Company's products, including additional Brine Wells, Muriatic Acid Plant, Grainer Salt Plant and a new General Office Building at Sandwich, Ontario; extensions to the Chlorine Liquefying Plant, the Electrolytic Cell Installation and the Caustic Finishing Plant; High Pressure Boilers for burning pulverized fuel, Electric Power Plant including up-to-date and efficient Turbo Generators with auxiliaries and necessary buildings, additional Liquid Chlorine Tank Cars and Cylinders, and other equipment.

SINKING FUND: A sinking fund will be provided for the redemption of Series "B" Bonds by annual payments commencing January 1st, 1929, equal to 1½% of the aggregate amount of such bonds previously issued and interest on such bonds previously redeemed.

VALUE OF ASSETS: Plants, properties and equipment of the Company (not including valuable trade marks and patents), based on appraisal as at March, 1925, together with the cost of subsequent net additions, have a value at December 31st, 1927, of $3,728,155.82 after provision for depreciation. Net Current Assets at the latter date, adjusted to give effect to this financing, amounted to $1,339,531.63, giving a combined total of fixed and net current assets of $5,067,687.45—equivalent to over $2,000 per $1,000 First Mortgage Bond to be outstanding, including this issue.

EARNINGS: Average annual earnings for the 3 years ended December 31st, 1927, available for bond interest and depreciation, based on earnings after deduction of operating expenses and maintenance charges, as certified by Riddell, Stead, Graham & Hutchison, Chartered Accountants, were $396,992.28, as against total interest charges of $143,830 annually on all First Mortgage Bonds now to be outstanding.

Net earnings on the same basis for the year ended December 31st, 1927, were $505,065.01, equivalent to over 3½ times annual bond interest on completion of this financing.

GENERAL: The increase in earnings for 1927 over the two previous years was mainly due to extensions of the chemical plant and consequent larger output of chemical products. The full benefit of these extensions was not reflected in the earnings for the first two months of 1927, but they and others now being made should advantageously affect the earnings for 1928. The well-established successful operation of the Company is shown by its dividend record, 8% per annum having been paid on the Common Stock of the Company and its predecessors continuously during the past thirty-four years.

We offer these Bonds for delivery if, as and when issued and received by us and subject to approval by our counsel of all proceedings, at—

102 and accrued interest, to yield about 5.32%

All legal matters in connection with the creation and issue of these Bonds are subject to the approval of S. J. LeHuray, of Montreal, on behalf of the Company, and of Victor E. Mitchell, K.C., D.C.L., of Montreal, on behalf of the Bankers.

Royal Securities Corporation, Limited

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The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities

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CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING JANUARY 17

	Div. Rate	Yield Jan. 16	High for wk.	Low for wk.	Close Jan. 17	Close Jan. 10	Sales for wk.	Range, 1927-8 High	Low
Banks—									
Commerce	12+1	4.57	285	280	280	282	299	295	228
Dominion	12+1	4.94	263	261	261	265	20	275	217
Can. Nationale	10	5.31	188	186	188	186	27	198	160½
Imperial	12+1	5.20	250	246	246½	248	92	256	214
Montreal	12+2	4.10	347	336	336	344½	346	355½	272
Nova Scotia	16	4.13	390	385	387	387	35	399	298
Royal	12+2	4.08	350	340	340½	350	502	351	257
Standard	12	4.89	250	243	243	250	285	250	196
Toronto	12+1	4.24	306	287	299	284	479	306	227
Paper—									
Abitibi, com. (no par)	5	3.42	149½	140	149	143	4906	149½	82
Do. pref.	7	5.49	..	...	...	...	...	127½	113
Belgo, Can., pref.	7	6.45	109	107½	109	107½	186	110	101
Brompton (no par)	$2	3.54	58¼	51	56½	53	9941	64	31
Fraser, pref.	7	4.11	175	142	175	141	4096	175	96
Int. Pap., c. (n.p.)	$2.40	3.53	70¼	67⅛	67¾	68⅞	22500	81½	39½
Do. pref.	7	6.51	107½	107¼	107¼	106⅝	230	112½	98⅞
Laurentide	6	4.66	130¾	117½	130½	117	85285	130¾	90
Port Alf. P., c. (n.p.)	.	...	111½	96	111½	95	1467	111½	55
Do. pref.	7	6.73	105	103	105	103	180	107½	95
Price Bros., com.	2	2.13	94	80	90	80	2790	94	51¼
Do. pref.	6½	6.31	105⅝	103½	105⅝	103½	135	105⅝	100
Smith, Howard, com.	.	...	87	71⅛	82½	71	4126	87	59
Do. pref.	8	6.95	116	115	116	115½	685	117½	103½
Span. River, com.	7	4.84	144½	135	144½	140	295	148	97½
Do. pref.	7	4.82	146½	143	143	146	1435	160	110¼
St. Maur. V., c. (n.p.)	.	...	90	73¾	88½	74	16554	90	47
Do. pref.	7	6.78	103½	102½	103¼	102½	185	105¾	94½
Wayagamack (no par)	$3	2.58	118	106½	115½	108	4245	123½	46¼
Steel and Steel Industries—									
B.E. Steel, com.	.	...	3¾	1⅛	2⅝	1	2200	3¾	½
Do. 1st pref.	.	...	35	28	35	28	2155	35½	10
Do. 2nd pref.	.	...	6½	3¾	6½	4	5860	6½	1
Can. Car & Found., c.	.	...	48¼	47⅛	48	47	2870	55¼	35
Do. pref.	7	7.44	94¼	92½	93	92¼	458	94½	85½
Can. Fairbanks, pref.	6+3x	5.82	103	103	103	104	40	104	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	17
Do. pref.	5x	...	..	...	...	...	...	87½	66
C.G.E., c. (par $50)	.	...	..	...	...	...	...	70½	49
Do. pref. (par $50)	7	5.64	62	61	61	62	506	63	55
Canada Iron, com.	.	...	..	...	...	...	...	28	12
Do. pref.	4	...	70	70	70	60½	125	70	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	25
Do. pref.	7	9.33	75	75	75	75	60	89	70
Dom. Bridge (n.p.)	$2.60	3.51	74¾	72½	72½	73½	10207	76	57
Dominion Coal	.	...	80	75	80	75	82	85	67
Dominion Iron, pref.	.	...	5	5	5	4	10	5	1½
Dom. Steel Corp., pref.	.	...	50	45	50	45	75	50	20
East Steel Prod. (n.p.)	.	...	30	28	28½	29½	728	30	20
Do. pref.	7	7.09	99	98⅜	98	98	205	99	97¼
Ford Motor	15	...	..	...	...	...	...	475	486
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, c. (no par)	.	...	6	6	6	6¼	20	15	4
Do. pref.	7	10.60	66	66	66	66	5	95	50
Massey-Har., c. (n.p.)	.	...	44¾	41	42	41½	75605	44¾	29
Do. pref.	7	6.42	109¼	108¾	108¾	108¾	469	109¾	103½
McKin. Ind., c. (n.p.)	.	...	29½	29	29	29½	210	29½	15
Do. pref.	7	7.14	98½	97½	98	98	151	98½	93¼
Do. Vot. Trust	.	...	29½	28	28	29	1630	29½	15
Ontario Steel	6	5.00	..	...	...	...	...	120	73
Do. pref.	7	6.25	..	...	...	...	...	115	100
Page Hersey, c. (n.p.)	$3	3.12	98½	88	95	89	18671	98½	55½
Do. pref.	7	3.68	194	176½	190	177½	404	194	116
Pressed Metals, com.	$3	5.35	58	54	56	55	85	64	34¼
Do. pref.	7	7.60	..	...	...	...	...	97	85
Russell Motor, com.	4	6.95	57½	57½	57½	60	25	60	52
Do. pref.	7	7.07	99	98	99	98	53	99	90⅛
Steel of Canada, com.	7	3.78	185½	182	183	185½	975	222	117
Do. pref.	7	3.95	178	175	175¼	179	25	205	127
Milling, Foodstuffs and Merchandising—									
Alta. Pac. Gr., c. (n.p.)	.	...	60	52½	59¾	56¼	9625	60	19½
Do. pref.	7	7.17	98	97	97½	97	454	98	85
Arnolds, c. (no par)	.	...	16¼	15¼	16	16½	210	26	10½
Do. pref.	—	...	86	86	86	87½	25	95	81
Atlan. Sug., c. (n.p.)	.	...	24	15½	23	24	185	32	15½
Do. pref.	.	...	82	82	82	84	10	101¼	80
B.C. Fish., c. (n. p.)	$1.25	12.19	11½	10	10½	11½	1210	22	8
Do. pref.	7	10.93	65	60	61	65	337	90	60
Can. Bak., c. (no par)	.	...	38	38	38	38	100	42⅛	26
Do. pref.	7	6.66	105	104½	104½	105	10	106	97
Can. Bread, c. (n.p.)	$6	3.63	165	165	165	165	140	172	90
Do. pref. (A)	7	5.98	117	116	116	115	55	125	108½
Do. pref. (B)	7	6.36	110	109	109	110	26	115	103
Can. Canners, c. (new)	.	...	22	19¾	20	21¼	2692	23	16
Do. 1st pref.	6	6.52	93⅞	91¼	92	92	1037	94¼	91¾
Do. 2nd pref.	60c	2.63	24½	22½	23	23½	6993	25	17
Canadian Salt	8	5.12	160	158	160	156	25	160	123
Christie Br., c. (n.p.)	$1.20	1.02	118½	106	117	108¼	6863	118½	38
City Dairy, com.	.	...	53	50¾	52	50	1418	59¼	50
Do. pref.	7	5.78	..	...	...	...	...	128	112
Cuban Can. Sugar, c.	.	...	3	3	3	3¾	30	5	1¼
Do. pref.	.	...	28	28	28	28	45	37	26
Wm. Davies (A) (n.p.)	.	...	43½	43	43½	43½	375	45	25
Do. (B) (no par)	.	...	20	20	20	19	15	20¼	9
Dom. Stores (no par)	$2.40	2.22	109½	107	109	108	841	109½	65
Ham. Dairies, c. (n.p.)	.	...	49½	49	49	48½	15	55	24
Do. pref.	7	6.82	102½	102½	102½	102½	10	103	95¼
Hunts, Ltd., c. (n.p.)	.	...	46	44	44	45	23	46	20
Do. pref.	7	7.00	..	...	...	...	...	101	90
Inter. Milling, pref.	7	6.42	109	108½	109	108	91	109½	104
Lake of Woods, c.	12	7.05	172½	167	172	169	135	198½	130
Do. pref.	7	5.73	..	...	...	...	...	125	110
L. Secord, c. (no par)	.	...	40	38	40	38	40	47½	26
Do. pref.	7	5.46	128	128	128	128	30	140	102
Loblaw, c. (no par)	$1	1.00	100	98	99	99¾	272	100½	48
Do. pref.	7	4.48	160	140	158	138	137	160	107
Maple Leaf Mill., c.	.	...	128⅝	108	125	106¼	945	128⅝	49
Do. pref.	7	6.48	110⅛	103	108	105	870	110⅛	94
Muirheads, c. (n.p.)	50c	3.44	15	14	14½	15	1046	15	8⅞
Do. pref. (par $10)	75c	4.68	17	16	16	17½	24	17½	10⅞
Nat. Grocers, pref.	8	8.16	98	98	98	99	56	101	98
Ogilvie Fl., c. (n.p.)	5+10	3.65	410	410	410	425	120	435	205
Do. pref.	7	5.18	140	140	140	135	15	145	120¼
Pre Gold Mfg. (n.p.)	$1.50	5.88	26	22	26	22½	1560	26	19¼
Shred. W., c. (no par)	$3	3.79	78⅞	69	74	70	11998	78⅞	55
Stanfords, c. (no par)	$1	3.88	25¾	24½	25	24½	254	26½	19
Do. pref.	7	7.36	95	94	94	94	88	95	88½
St. Law. Flour, c.	.	...	44	41	43	42¼	535	45¼	25
Do. pref.	7	7.95	88	86¼	87	90	1249	90½	79½
Viau Bisc., c. (n.p.)	.	...	30	15	26½	15	8813	30	15
Do. pref.	7	7.95	88	85	88	85	386	92½	83½
W. Can. Fl., c. (n.p.)	$1.40	3.00	48	41½	45¾	41	3630	48	22
Do. pref.	6½	6.13	106	105	105	102½	99	106	100
W. Groc., c. (no par)	$1	5.00	20	20	20	20	5	29	13
Do. pref.	7	9.33	75	75	75	75	15	84	74¼
Utilities—									
Bell Telephone	8	5.00	161	158	160	160	600	164	137
Calgary Power	5	5.00	..	...	...	...	...	100	50
Consumers Gas	10	5.00	200	197	199	196½	113	200	171½
East Koot. Pr. (n.p.)	.	...	..	...	...	...	...	29¼	25
Do. pref.	7	7.07	99	99	99	99½	3	100	95
Int. Util. (A) (n.p.)	$3.50	7.14	49½	48½	48½	50	2378	52½	28
Do. (B) (no par)	.	...	10⅛	9½	9½	10	4447	13½	4½
Jamaica Pub. Ser., pf.	7	6.66	105	105	105	105	10	105	97
Laurentide Power	5	3.44	..	...	...	...	...	150	105
Mackay, com.	7	6.03	118	116	116	116	94	132½	108
Do. pref.	4	5.77	70	69	69⅞	69	155	74	67
Mexican Light, c.	.	...	..	...	...	...	...	67	27
Do. pref.	3½	...	..	...	...	...	...	120	65
Mont L H & P (n.p.)	$2	2.22	91½	89	91	89	3526	96¾	68⅛
Mont. Teleg. (par $40)	8	6.03	53¼	53¼	53¼	53¼	85	54	49
Nor. Mex. Pr., c.	4	4.10	104	94½	96	95	4340	104	42
Do. pref.	7	7.07	99⅜	97	99⅜	98½	45	99⅜	82½
Ot. & Hull Pr., c. n.p.	.	...	44	35	40	42	17	44	26
Do. pref.	7	7.00	99	99	99	100	1	100¾	96
Ott. L. H. & Pr., c.	6	4.47	134	134	134	134	30	141½	98½
Do. pref.	6½	5.96	..	...	...	...	...	109	101
Power Corp., c. (n.p.)	.	...	76	70½	74	72	5209	80¼	27¼
Do. pref.	6	6.00	100½	100	100	99	420	100½	94
Quebec Power, c.	$2	2.27	89	87	88	87¾	2950	92	72
Shawinigan (no par)	$2	2.22	90	88½	89	89½	5622	94¾	67
S. Can. Pr., c. (n.p.)	$3	2.06	145	135	140	125¼	115	145	85
Do. pref.	6	5.60	107½	106	106½	107	55	113	99½
Transportation—									
Can. Pacific Rly.	10	4.76	212	210	210	215	37	218	166
Can. Steam., c. (n.p.)	.	...	35	34	34	35	260	42	34
Do. pref.	6	6.66	90	89½	89½	90	944	96½	82½
Do. voting	.	...	31	31	31	34	20	37½	31
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	68⅛	33½
Brazilian, c.	7	3.25	217	213½	215	215½	18307	234⅞	102½
Do. pref.	6	3.27	183	180	182¼	182	58	197	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	1
Duluth-Superior	$2	9.52	21	20	20	21	120	30⅞	20
Minneapolis S.S.	.	...	..	...	...	...	...	43	42⅛
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.00	..	...	...	...	...	200	169
Ottawa Traction	4+1	7.35	68	68	68	68	2	70	64
Porto Rico Rlys., c.	$3	4.30	..	...	...	...	...	70⅝	59
Do. pref.	7	7.10	..	...	...	...	...	100	90
Twin City, c.	4	8.00	51	49	49⅞	50	415	66	45
Do. pref.	7	6.71	..	...	...	...	...	104¼	100
Winnipeg Elec., c.	2	1.93	104½	98	102½	100	10699	104½	60¾
Do. pref.	7	6.42	109½	108	109	108	223	110	100¾
Textiles—									
Can. Conn. Cot., pref.	4	5.92	68	67	68	67½	564	69	36
Can. Converters	7	6.79	105	101	105	102	41	109	92
Can. Cotton, com.	8	5.71	..	...	...	...	...	145	115
Do. pref.	6	5.91	101½	100	101½	100	76	104	95
Can. Woollens, com.	.	...	..	...	...	...	...	19	5
Do. pref.	.	...	..	...	...	...	...	89	59¾
Cosmos Imp., c. (n.p.)	.	...	24	22	23	23½	1426	31½	18
Do. pref.	7	7.07	99	99	99	100	35	108	91¼
Dom. Tex., c. (n.p.)	$5	3.81	132½	130	131	131	552	135⅞	105
Do. pref.	7	5.38	..	...	...	...	...	130	115¾
Monarch Knit, c.	.	...	..	...	...	...	...	39½	7½
Do. pref.	.	...	..	...	...	...	...	54	45
Montreal Cottons, c.	6	5.21	..	...	...	...	...	120	110
Do. pref.	7	5.69	..	...	...	...	...	123	114
Penmans, c. (no par)	$4	3.91	104¾	100½	104¾	100¼	756	108	70
Do. pref.	6	5.64	106¼	104	104	106	63	106¼	101
Wabasso Cot. (no par)	6	4.54	132	125	132	125	820	137	84
Zimmerknit (no par)	.	...	25	24½	24¾	24½	660	28½	18
Do. pref.	7	7.56	93	92	92	93	92	95	49½
General Industrials—									
Amer. Sales, c. (p. $20)	4	5.47	73	72	72	71	65	78	60
Do. pref.	7	6.33	..	...	...	...	...	111	97½
Asbestos Co., c. (n.p.)	.	...	34	33	33½	33¾	1887	39¾	20
Do. pref.	7	7.60	93¾	92½	92½	94	433	102¼	82¾
Brant Cd., p. (p. $25)	8	12.90	16	15	15	19	160	25	14
Building Prod., com.	$1.20	3.07	40½	34⅞	36¾	35	6577	40½	23¼
Do. pref.	7	6.66	105	104	105	104	43	105	93½
Burt, F. N., c. (p. $25)	$3	4.28	70	66½	69¾	67	832	71	56½
Canada Cement, c.	.	...	32	31	32	31½	2704	35¾	30
Do. pref.	.	...	98½	97⅞	98½	98	2458	101½	93
Can. Bronze, c. (n.p.)	.	...	78½	71½	76¾	72	6990	78½	43
Do. pref.	7	6.33	110½	110	110½	110	252	110½	98½
Conduits, c. (no par)	.	...	35	35	35	32¼	90	35	23
Do. pref.	7	6.93	102	101	102	101	60	102	92
C. Smelt. (par $25)	10+40	4.70	265½	252	261	251	3357	274½	215
Crow's Nest Coal	6	10.90	..	...	...	...	...	71⅛	50
Dom. Glass, c.	7	5.20	134½	129	134	128	495	144	104
Do. pref.	7	5.83	120	120	120	120	1	125	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	75	75
E. Theat., c. (p. $25)	$2	7.14	..	...	...	...	...	30	24
Do. pref.	7	7.36	95	95	95	95	50	100	92
Famous Players, com.	.	...	50	48	50	40	426	51½	20
Do. pref.	8	7.61	105	103	104	104	344	105	93½
Gilman, com.	6	5.58	..	...	...	...	...	112	104½
Do. pref.	7	6.03	116	116	116	116	5	125	107
Goodyear Tire, com.	$5	3.12	160	148½	157	146	1496	160	85⅛
Do. pref.	7	6.60	106	104½	104¾	105	403	109	94½
Ham. Un. Theatres, c.	.	...	..	...	...	...	...	35½	7
Do. pref.	7	8.53	..	...	...	...	...	85	81½
Hayes Wheel, c. (n.p.)	.	...	30	26¼	28½	30	175	34¾	26
Do. pref.	7	7.00	100	100	100	100	3	101	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.44	94	94	94	94	5	94	85
Gotfred., c. (no par)	.	...	11	10	10	12	125	15	10
Int. Nic., c. (par $25)	$2	2.24	95½	88¼	91½	89	100002	95½	38
King Edward Hotel	$2	3.92	52	50	52	52	180	60	20
Lyall Construction	.	...	..	...	...	...	...	63	25
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.79	..	...	...	...	...	105	96½
National Brick, com.	.	...	..	...	...	...	...	10	4
Do. pref.	6	8.82	68	66	68	65¼	246	81	56
Pacific Burt, com.	6	4.85	123½	122	123½	120	119	123½	87
Do. pref.	7	5.83	..	...	...	...	...	120	99¾
Port Hope San., com.	4	2.09	..	...	...	...	...	200	125
Do. pref.	7	6.03	..	...	...	...	...	116	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	6.93	101	101	101	101	80	102	92
Sher-Williams, com.	6	3.33	180	180	180	180	56	207	142
Do. pref.	7	5.60	129	129	129	126	30	129	117
Standard Chem., pref.	.	...	..	...	...	...	...	26	15
Sterling Coal	.	...	..	...	...	...	...	36	20
Tooke Bros., com.	.	...	20	18	18	20	35	20	5
Do. pref.	7	10.44	67	67	67	70	5	72½	65
Tuckett Tobacco, c.	4	4.00	100	100	100	95	50	100	69
Do. pref.	7	5.98	117	117	117	116	1	118	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	8.75	..	...	...	...	...	89	75
Beverage—									
Brading Brew. (n.p.)	$2	7.70	..	...	...	...	...	35½	20
Brew. & Dis. (p. $5)	5	1.46	17½	17	17	16⅝	552	18	4½
Can. Brew. (no par)	$2	5.59	38½	35	35	36	1360	39½	22¼
C. Ind. Alc. (no par)	$1.52	4.10	37½	36¼	37¼	37	7187	43⅞	21¼
Can. Malting (no par)	.	...	37½	36	36¾	36	9933	38½	27¾
Carling Brew. (n.p.)	$2	5.03	39¾	38	38½	39	5180	40	22⅞
Com. Alco. (no par)	$1	3.12	33	31⅞	32½	33	1210	70	15
Do. pref.	8	7.61	..	...	...	...	...	110	103
Cosgrave B. (par $10)	6	7.05	9	8¼	9	8¾	595	12	6
Chas. Gurd, c. (n.p.)	$2	2.10	97	94	95	93¼	1350	100	28⅞
Do. pref.	7	6.54	107	100	107	107	2	110	98
Hiram Walker (n.p.)	$2	3.00	69	64	64⅞	68	12231	69	28½
L. Ont. Brew. ((n.p.)	$2	8.00	25	24	24	24	255	31½	18
Nat. Brew., c. (n.p.)	4	3.49	115	112½	115	113	6242	117	65
Do. pref.	7	5.69	124	122	123	122	60	124½	105
Nat. Distilleries	.	...	20¾	19	19	20	308	24	19
Seagram (no par)	.	...	26¼	25	25¼	25½	7644	28⅞	15
Toronto Brew. (n.p.)	.	...	9¾	9½	9¾	9½	415	13⅛	8
Oil—									
Ajax	.	...	73¼	62	62	74	55350	80	6½
B.C. Oilfields (p. $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	17	16½	17	17	430	20¾	13
Br. Am. Oil (n.p.)	80+20c	2.50	40½	38	38	39	44215	40½	20
Can. Oil, c. (n.p.)	$1	1.75	62¼	51	53	59	13016	62¼	21
Do. pref.	8	5.51	170	141	145	146	230	170	115½
Continental Oil	$1	4.08	..	...	...	...	...	22¼	16½
Foothills Oil	.	...	..	...	...	...	...	3.25	2.00
Frontenac Oil	.	...	33½	32⅝	33	32¾	2716	40	23¼
Imperial Oil (no par)	$1.50	2.36	65¼	59	61½	59¾	85231	65¼	37¾
Int. Pete. (no par)	75c	1.76	44	37½	40¼	37¼	81531	44	28
McColl-Fron.	.	...	33¾	32½	33	32⅞	20162	33¾	32½
North Star, c. (p. $5)	.	...	2.75	2.50	2.65	2.60	758	2.75	1.55
Do. pref. (par $5)	7	...	5.25	5.25	5.25	6.50	2000	6.50	4.90
Petrol Oil	.	...	20	17	17	20¾	9000	25	7
Supertest Pet., c.	50+50c	1.22	96	75	96	76½	324	96	35
Do. pref.	7	7.17	99	97½	98	97	35	100	92½
Trojan Oil	.	...	..	...	...	...	...	8.60	4.00
Venezuel. Pet. (p. $5)	.	...	..	...	...	...	...	7½	6½
Volcanic Oil	$1.40	5.00	29	29	29	29	45	47¼	23
Vacuum Gas	.	...	12½	10	10	12½	3100	26	3
Trust and Loan—									
Can. Permanent	12	5.19	..	...	...	...	...	235	216⅛
Col. Invest. (p. $10)	6	...	..	...	...	...	...	7	5
Econ. Invest. (p. $50)	4	3.47	59¾	59	59¾	58	50	60¼	53
Huron & Erie	7+½	4.93	..	...	...	...	...	152⅛	139
Landed Banking	10	5.00	..	...	...	...	...	200	161
Mont. Loan (par $50)	12+1	6.76	..	...	...	...	...	52¾	47
National Trust	12+1	4.56	..	...	...	...	...	285	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.54	..	...	...	...	...	107	100
Toronto Gen. Trusts	12	4.31	278	275	275	272	48	278	220
Toronto Mge. (p. $50)	10+1	4.82	114	114	114	108	14	114	100
Union Trust	7+1	5.92	..	...	...	...	...	135	104
CURB AND UNLISTED MARKETS									
Asch, com. (no par)	.	...	..	...	...	...	...	34½	27½
Do. pref.	.	...	92	92	92	93	10	94	92
Anticosti, pref.	7	...	..	...	...	...	...	98¾	98
Attendu Eng. (par $1)	.	...	13	12	12½	12	285	35½	8
Belding, com.	6	6.97	87	85	85	80	122	88	67
Do. pref.	7	7.07	..	...	...	...	...	100	96½
Can. Celanese (n.p.)	.	...	77½	73¾	74¾	77¼	442	85½	52¾
Do. pref.	.	...	100	98	99	100	835	103½	88
Can. Light & Power	.	...	49	43	44	44	293	55	20
Can. Nor. Pr., c. (n.p.)	.	...	70	70	70	70	20	75	42
Do. pref.	7	7.00	102	102	102	100	40	102	97
Cockshutt, pref.	4	3.55	113	105¾	112	109	4134	115⅛	67
Cooksville Sh. Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	55	50½
Dom. Engineering	$2.60	...	62½	61	62½	62	480	65	45
Dom. Power, pref.	7	6.93	..	...	...	...	...	102	100
Dryden Paper (n.p.)	.	...	37	34	37	33½	7940	37	9½
E. Dairies, c. (no par)	.	...	54	53	54	53	165	57¾	20½
Do. pref.	7	7.07	99½	99	99½	99	140	101	94
Eng. Elec., c. (no par)	.	...	12	11	11	11	120	18	11
Do. pref.	.	...	80	75	80	78	22	95	72½
Farm. Dairy, c. (new)	.	...	27	24½	27	26	1688	27	24½
Do. pref.	7	...	..	...	...	...	...	110	105
For. Pr. Secs. (no par)	.	...	44½	42⅝	43¾	43	1170	46	29
Illinois Power, pref.	7	6.89	101½	101½	101½	100½	25	101½	98
Imp. Tob., c. (p. $5)	6+2	4.00	10¾	9½	10½	9⅝	63169	11	6¾
Inter. Power, com.	.	...	43	40	43	42½	625	50	14½
Do. pref.	7	7.14	98½	97½	98½	97¾	277	98½	85
Kemsley Milburn	.	...	17⅝	16½	17½	16½	2590	17⅝	14⅝
Loew's London, com.	3	...	..	...	...	...	...	7¾	4¼
Man. Power (no par)	$2	2.15	95	83	92½	85	1305	96½	50
Mitchell, J. S., c.	.	...	40½	39	39½	38	347	41	28
Do. pref.	7	7.03	...	...	...	...	...	99½	99½
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
North. Bak. (no par)	.	...	46½	44⅝	45	45½	16282	46½	25
N.S. Car, c. (no par)	.	...	44	41½	44	43¼	9838	45	18¼
Ott. Mtl. Pr., c. (n.p.)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	...	..	...	...	...	...	53¾	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (n.p.)	.	...	55	55	55	58	25	60	50
Do. pref.	.	...	..	...	...	...	...	103	95
Perfection Glass	.	...	3⅜	3⅛	3⅛	3⅜	65	8	3
Photo Eng. (no par)	.	...	39½	36	37½	39¾	1610	40	31
E. L. Ruddy, pref.	7	7.00	100	100	100	100½	180	101	100
Service Stn. Equip.	$1.60	3.76	43¼	41⅜	42	42⅝	4435	44⅝	31
St. Maur. Power	4	2.31	175	172½	175	172	575	175	96
Simpson, Robt., pref.	6	5.85	..	...	...	...	...	103	100
Sover. Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. P., c. (n.p.)	.	...	108	100	106½	100	5038	108	35
Do. pref.	8	6.66	..	...	...	...	...	120	104
Standard Clay	.	...	..	...	...	...	...	40	38
United Secs., com.	.	...	64	64	64	64½	210	70½	43½
Do. pref.	6	5.72	105	104½	104½	105	11	118	103¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

xArrears.

Bond Movement of the Week

Week ending January 17

Bonds	Int. Rate	Due	Yield	Range 1927 High	Low	Range 1928 High	Low	Ask	Latest Price Bid	High	Low
Can. Canners	6	1950	5.84	102	96½	102	101¾	102	101½	102	101¾
Can. Cottons	5	1940	5.10	99½	97	99	99	..	99	99	..
Dom. Iron	5	1929	7.70	93¾	69	95⅛	94	..	95½	95⅛	..
Lyall Cons.	6	1932	6.29	95¼	94	98¾	98¾	..	98¾	98¾	..
Mont. Tram. "A"	5	1955	4.90	100	94¼	101½	99¾	100⅞	100⅝	101½	100
N. S. Steel	5	1959	7.59	70	64½	69⅝	69⅝	69½	67	69⅝	..
Quebec Rly.	5	1939	4.85	101½	96	101½	101	..	101⅛	101⅝	101
Wayagamack	6	1951	5.73	103½	97	103½	103½	..	103½	103½	..
War Loan	5	1931	4.30	102.70	100.10	102.70	102.45	102.80	102.55	102.65	102.45
Do.	5	1937	4.20	106.75	102.95	106.70	106.20	106.55	106.25	....	....
Victory Loan	5½	1933	4.30	106.55	103.35	106.50	106.00	106.35	106.10	106.20	106.00
Do., Loan	5½	1934	4.56	105.55	102.80	105.85	105.10	105.60	105.50	105.85	105.10
Do., Loan	5½	1937	4.12	111.15	106.85	110.95	110.45	110.75	110.45	110.70	110.45
Do., renewal	5½	1932	4.50	104.10	101.85	104.45	104.00	104.45	104.20	104.15	104.05
Do., refund	5	1928	4.50	101.50	99.75	100.60	100.30	100.70	100.45	100.60	....
Do., refund	4½	1940	4.32	103.40	96.50	102.65	102.35	102.65	102.40	102.45	102.35
Do., refund	5	1943	4.49	106.40	102.30	106.00	105.15	106.00	105.75	105.75	105.60
Do., refund	4½	1944	4.30	103.00	96.60	102.90	102.55	102.80	102.55	102.60	102.55
Do., refund	4½	1946	4.28	102.70	96.70	102.95	102.70	102.90	102.65	102.95	102.85

FOREIGN EXCHANGE

NEW YORK FUNDS

	High (Premium)	Low	Last year High (Premium)	Low
Jan. 12	3-16	11-64	11-64	11-64
Jan. 13	3-16	3-16	11-64	9-64
Jan. 14	3-16	3-16	9-64	9-64
Jan. 16	3-16	11-64	9-64	9-64
Jan. 17	13-64	3-16	5-32	5-32
Jan. 18	13-64	3-16	11-64	5-32

Sterling, Francs and Lire

	Sterlings Close	Francs Close	Lire Close
Jan. 12	4.87 7-16	3.93 1-8	5.28 1-2
Jan. 13	4.87 9-16	3.93 1-4	5.28 1-2
Jan. 14	4.87 7-16	3.93 1-8	5.28 3-4
Jan. 16	4.87 1-16	3.93 3-4	5.28 1-2
Jan. 17	4.87 5-16	3.92 3-4	5.28 1-2
Jan. 18	4.87 5-16	3.93 3-4	5.28 5-8

FOREIGN EXCHANGE

Par		Jan. 11	Jan. 18
13.90	Italian	5.30	5.30
23.82	German	23.85	23.87
19.30	Belgium	13.98	13.97
84.85	Japan	47.02	46.92

Stock Market Index

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Jan. 18	110.7	105.9
Week of Jan. 11	108.7	104.9
Month of Jan., 1927	84.2	79.8
9 Bank Stocks		
Week of Jan. 18	$292	$284
Week of Jan. 11	289	284
Month of Jan., 1927	242	230
10 Public Utilities		
Week of Jan. 18	$114	$110
Week of Jan. 11	113	110
Month of Jan., 1927	91	85

WEEK'S GAINS AND LOSSES

Banks	2	6	1	9
Paper	16	2	1	19
Steel	14	10	15	39
Foodstuffs	24	18	13	55
Utilities	9	10	11	30
Tractions	3	3	9	15
Textiles	6	4	9	19
Industrials	33	22	40	95
Total	107	75	99	281

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft Erie Bridge 7s, '55	108¼	...
Do., 8s '45	108	...
Buff. Gen. Elec. 1st 5s, '39	104¾	...
Bfo. N. & E. Pow. 5s, '30	103	104
Lockport L. H. & P. 5½s, '54	102½	104

Public Utility Earnings

Southern Canada Power

Dec.—	1927	1926	Inc.
Gross	$145,452	$131,554	$13,898
Oper. exp.	47,611	42,496	5,115
Net	97,841	89,058	8,783
3 Mos.—	1927	1926	Inc.
Gross	$428,472	$384,660	$43,812
Oper. exp.	142,897	124,168	18,729
Net	285,575	260,492	23,083

Winnipeg Electric

November	1926	1927	Increase
Gross earn.	$ 528,650	$ 551,631	$ 22,981
Expenses	322,242	336,487	14,245
Net earn	206,408	215,144	8,736
Aggre. gr. from July 1 to end of November	5,070,285	5,409,289	339,004
Aggre. net from Jan. 1 to end of November	1,831,358	1,954,856	123,498

B. C. ELECTRIC

November	1926	1927	Increase
Gross Earn	$1,059,400	$1,139,745	$ 80,345
Expenses, maintenance, etc.	728,858	793,339	64,481
Net income	330,542	346,406	15,864
Aggre. gr. from July 1 to Nov. 30, 1927	5,155,593	5,386,241	230,648
Aggre. net from July 1 to Nov. 30, 1927	1,466,528	1,515,253	48,725

Jamaica Public Service

Nov.	1927	1926	Increase
Gross earn.	$ 61,415	$ 56,870	$ 4,544
Op. exp. and taxes	33,059	32,437	622
Net earn.	28,355	24,433	3,922
Int. charges	6,076	6,167	x90
Bal. for res., retire. and div.	22,279	18,266	4,013
12 mths. end, Nov. 30	1927	1926	Increase
Gross earn	687,004	650,149	36,855
Oper. exp. and taxes	408,752	395,181	13,570
Net earn.	278,251	254,967	23,284
Int. charges	73,458	74,769	x1,311
Bal. for res., retire. and div.	204,793	180,197	24,595

x Decrease.

Unlisted Stocks

These prices are mostly as at January 17, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 2.00	$ 5.00
A. W. Chase, pref.	55.00	....
Border Cities, pfd., bonus c.	32.00	40.00
Brandram Henderson, com.	18.00	22.00
Brandram Henderson, pref.	82.00	....
Brantford Roofing	97.00	....
Canada Machinery, com.	7.50	10.50
Canada Machinery, pref.	26.00	30.00
Can. Paperboard, pref.	....	95.00
Canadian Westinghouse	230.00	....
Caulfields Dairy, com.	25.00	....
Copeland Flour Mills, pref.	19.50	....
Dom. Alloy, pf. bonus com.	1.00	3.00
Dom. Foundries & Steel, c.	2.00	4.50
Dom. Foundries & Steel, pf.	26.00	....
Dom. Linens, pref.	16.00	21.00
Dom. Manufacturers, com.	7.00	9.00
Dom. Manufacturers, pref.	69.00	72.00
Dom. Power, com.	41.00	45.50
Dom. Power, pref.	101.25	103.50
Dom. Sewer Pipe, com.	60.00	65.00
Dom. Sugar, com.	22.00	25.00
Dom. Sugar, pref.	94.00	97.00
Dunlop Tire, pref.	100.50	....
Durant of Canada	4.75	5.75
Gillett, E. W.	66.00	....
Goodyear Cotton, 7% pref.	101.00	....
Greening Wire, pref.	96.00	....
Guardian Realty, pref.	60.00	65.00
Huethers Brewing, pref.	2.00	4.00
King Edward Hotel "A"	80.50	83.50
King Edward Hotel "B"	75.00	77.50
Kingston Ship-Building, pf.	18.00	....
Loew's Buffalo, pref.	27.50	....
Loew's London, com.	5.00	5.75
Loew's London, pref.	8.00	9.00
Loew's Mansfield, pref.	85.00	88.00
Milton Brick Co.	16.00	....
National Steel Car, com.	43.00	45.00
Palace Thea. (Mont.), pfd.	80.00	....
Pure Food, com.	27.00	30.00
Simpson, Robt., pref.	102.50	....

Insurance

British America	45	..
Canadian Fire, full pd.	115	125
Canada Life	975	1025
Canada National	16	20
Casualty of Canada, full pd.	180	..
Capital Life, 20% pd.	22	25
Confederation Life, 10% pd.	90	..
Continental Life, 10% pd.	65	..
Crown Life, full paid	325	..
Dom. of Can. Guar. & Ac.	325	..
Dominion Fire	105	..
Dominion Life, 50% pd.	450	..
Excelsior Life, 30% pd.	115	130
Federal Fire, 25% paid	40	..
Fidelity of Canada, full paid	140	150
Great West, full paid	530	550
Imperial Life, 85% paid	425	..
Manufacturers Life, 45% pd.	425	475
Monarch Life, 10% paid	41	45
Montreal Life, 20 paid	70	..
National Life, 25% paid	70	75
Ontario Equitable, 10% paid	38	40
Security Life, 45% paid	10	20
Sovereign Life, 25% paid	57	65
Sun Life, 75% paid	1750	1850
Toronto Casualty	27	30
Western Assurance	62	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$104.50	$....
British Mortgage & Trust	207.50	....
Capital Trust	55.00	65.00
Chartered Trust	85.00	90.00
Commercial Finance, com.	25.00	30.00
Commercial Finance, pfd.	78.00	84.00
Debentures & Sec., com.	70.00	....
Debentures & Sec., pref.	70.00	....
Lambton Loan & Savings	82.00	....
London Loan & Savings	45.00	50.00
Mfg. Finance, pfd. bonds, c.	5.50	6.50
Midland Loan & Savings	16.50	....
Mortgage Discount, pref.	6.75	7.50
Mortgage Discount, com.	.40	.80
Mutual Finance, com.	7.00	7.75
Mutual Finance, pref.	7.00	7.75
Peoples Loan & Savings	79.00	....
Sherbrooke Trust Co.	106.00	....
Saskatchewan Mortgage	31.00	....
Sterling Trust Co.	97.00	....
Toronto Finance, pref.	....	3.50
Waterloo Trust & Savings	115.00	....

Club Shares

	Bid	Asked
Bayview Golf	$	$ 42.00
Lakeview Golf	40.00	70.00
Lake Shore Golf	10.00	30.00
Lambton Golf	400.00	450.00
Mississauga Golf	20.00	35.00
Rosedale Golf	125.00	150.00
Summit Golf	....	40.00
Thistledown Golf	40.00	60.00
Thornhill Golf	....	85.00
Toronto Winter Club	40.00	....
Weston Golf	75.00	90.00
York Downs Golf	....	280.00

Recent London Quotations

	Sales
Calgary Power	101
Hudson's Bay	91s. 3d.
Hudson's Bay, 5% pref.	97s. 6d.
Can. West Lumber	6s. 6d.
Standard Chemical, 7%	21
Dominion Tar	45s. 6d.
Mond Nickel	140s.
Lake Superior	4

Recent Vancouver Quotations

B. C. Telephone, pfd., new	105½b.
Pacific Coyle, com.	10½b.
Gosse Packing, com.	51b.
Do. pref.	65b.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	103	..
Home Inv. and S. Assn.	75	..
N. Mtge., fully paid	80	..
N. Mtge., 50% paid	36	36
Northern Trusts Co.	50	..
Standard Trusts Co.	33	35
No. Star Oil Co., pref.	5.25	..
No. Star Oil, com.	2.60	2.90

NEW YORK CURB

	Close Jan. 4	Close Dec. 28	Close Jan. 18
Brit. Amer. Oil	39¾	37	38
Bunker Hill	141¼	..	141½
Can. Marconi	3½	3 7/16	3½
Dom. Stores	..	..	109
Durant	9⅜	9⅜	10⅛
Ford Canada	560	575	515
Imp. Oil Can.	59⅞	59¼	61
Inter. Petrol.	36⅞	39¼	39¼
Inter. Util. "A"	51	..	48¾
Do., "B"	10¼	9⅛	9⅝
Nipissing	5⅜	6	5¾
Noranda	23½	..	21⅞
Premier Gold	2¼	2¼	2⅜

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	100¾	101½
Abitibi P. & P. 6s, 1940	105	105¾
Algoma Steel 5s, 1962	57½	60
Alberta Pac. Grain, 6s, 1946	102	103
Bell Telephone, 5s, 1955	105	105½
Belgo Can. Paper, 6s, 1943	102½	104
Brandram-Henderson, 6s, 1939	85	89
B.C. Pulp & Paper, 6s, 1950	90	92
Brompton P. & P., 6s, 1946	101½	103
Burns, P. & Co., 6½s, 1943	103½	..
Calgary Brewery, 5s, 1942	94½	96
Calgary Power 5s, 1940	93¾	94¾
Canada Biscuit, 6½s, 1946	101	103½
Canada Lt. & Pr. 5s, 1949	95¼	96½
Can. Nor. Power, 6s, 1941	102	..
Can. Paperboard, 7s, 1937	98	99½
Can. Steamships, 5s, 1943	101½	102¼
Can. Steamships, 6s, 1941	102¼	102¾
Can. Steel Foundries, 6s, 1936	106	..
Davies, Wm., 6s, 1942	95	96
Dominion Iron, 5s, 1939	51	55
Drummond Invest. 6½s, 1938	98½	100½
Duke Price, 6s, 1966	106⅛	107
East Kootenay Pr. 6s, 1966	104¼	105½
Elec. Development 5s, 1933	100¾	101½
Famous Players, 6½s, 1943	103	105
Fraser Co., 6s, 1950	102	103½
Gatineau Power, 5s, 1956	99¾	100½
Gatineauu Power, 6s, 1941	103	104
Howard Smith P. & P. 6s, 1941	104	105
King Edward Hotel, 7s, 1944	95	96½
Lake Superior P. & P. 6s, 1941	106½	108
Laurentian Pr. 6s, 1936	110	..
Laurentide Pr. 5½s, 1946	103	..
Manitoba Pr. 5½s, 1951	102¾	103¾
Mont. L. H. & Pr. 5s, 1951	102¾	103
Mont. Pub. Service, 5s, 1942	100¼	101
N. B. Power 5s, 1937	92⅝	..
Nor. Ont. L. & P. 6s, 1946	103	104
Nor. West Utilities 7s, 1938	102	104
Nova Scotia Steel, 5s, 1959	66	68½
Nova Scotia 6% Debs.	36	39
Nova Scotia Tram. 5s, 1946	95	96½
Nova Scotia Tram. 7s, 1952	100½	102
Ont. Pulp & Paper, 6s, 1931	109	110
Ottawa Hull Pr. 6s, 1948	103¼	..
Ottawa L. H. & Pr. 6s, 1953	105	106
Ottawa Mont. Pr. 6½s, 1949	104¾	105¼
Ottawa Trac. 5½s, 1955	102¼	103
Ottawa River Pr. 6½s, 1953	103	104
Port Alfred P. & P. 5½s, 1957	97¾	98¼
Price Bros. 6s, 1943	105	106¼
Prov. Lt. Pr. 5s, 1946	101¾	103
Rio Tramways 5s, 1935	98	98
Sao Paulo Tram. 5s, 1929	99⅛	99½
St. Lawrence Paper, 6s, 1946	101	102½
St. Maurice Valley 5½s, 1957	96	97⅛
St. Maur. Pr. 6½s, 1953	107¼	108
Shawinigan W. & P. 4½s, 1967	..	97¼
Simpson's, Ltd., 6½s, 1945	104¼	104½
Southern Can. Pr. 5s, 1955	100½	101½
Spanish River P. & P. 8s, 1941	106½	108½
West Kootenay Pr. 6s, 1943	104	..

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES
MONTREAL TORONTO WINNIPEG VANCOUVER

BANQUE CANADIENNE NATIONALE

53rd Annual Statement

PROFIT AND LOSS ACCOUNT

30th NOVEMBER, 1927

CREDIT

Balance at Credit of Profit and Loss Account 30th November, 1926	$ 320,678.15	
Net profits for the year ending 30th November, 1927, after deducting expenses of management, interest accrued on deposits, rebate of interest on discounts, and making full provision for all bad and doubtful debts	903,200.88	$ 1,223,879.03

DEBIT

Dividend No. 144, paid 1st March, 1927	$137,500.00	
Dividend No. 145, paid 1st June, 1927	137,500.00	
Dividend No. 146, paid 1st September, 1927	137,500.00	
Dividend No. 147, payable 1st December, 1927	137,500.00	$ 550,000.00
Pension Fund		35,000.00
Provision for Dominion Government Taxes		100,000.00
Provision for payment to the Treasurer of the Province of Quebec under Statute 14, Geo. V, Ch. 3		125,000.00
Balance at credit of Profit and Loss Account 30th November, 1927		413,879.03
		$ 1,223,879.03

A. COURTOIS, Chief Accountant.
BEAUDRY LEMAN, General Manager.
J. A. VAILLANCOURT, President.

BALANCE SHEET

30th NOVEMBER, 1927

LIABILITIES

Notes of the Bank in circulation		$ 12,042,219.00
Deposits not bearing interest	$ 20,591,627.22	
Deposits bearing interest (including interest accrued to date of statement)	103,126,609.73	123,718,236.95
Balances due to Banks in Canada	595.77	
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	599,480.15	600,075.92
		136,360,531.87
Letters of Credit outstanding		786,117.39
Capital Stock paid in	5,500,000.00	
Reserve Fund	5,500,000.00	
Dividends declared and unpaid	4,307.85	
Dividend payable 1st December, 1927	137,500.00	
Balance of Profit and Loss account (after deducting payments to the Treasurer of the Province of Quebec under Statute 14, Geo. V, Ch. 3)	413,879.03	11,555,6[illegible]
		$148,702,[illegible]

ASSETS

Gold and current coin	$ 942,692.75	
Dominion Notes	7,868,360.75	
United States and other foreign currencies	180,600.68	8,991,654.18
Notes of other Banks	887,815.00	
Cheques on other Banks	9,998,604.35	
Balances due by Banks in Canada	760,444.29	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,341,889.19	
Deposit in the Central Gold Reserves	7,400,000.00	
Deposit with the Minister of Finance for the purpose of Circulation Fund	282,113.95	21,670,866.78
		30,662,520.[illegible]
Dominion and Provincial Government Securities, including demand loans, not exceeding market value	21,597,902.03	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	7,273,874.94	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	1,721,151.16	30,592,928.13
Loans to cities, towns, municipalities and school corporations		5,827,069.73
Call and short (not exceeding thirty days) loans in Canada on Bonds, Debentures, Stocks and other securities of a sufficient marketable value to cover		9,950,983.79
		77,033,502.61
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		62,884,456.17
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		65,244.80
Liabilities of customers under Letters of Credit as per contra		786,117.39
Mortgages on Real Estate sold by the Bank		1,152,320.65
Real Estate other than Bank Premises		1,003,924.59
Non-current loans (estimated loss provided for)		178,665.29
Bank premises at not more than cost (less amounts written off)		5,315,520.67
Other assets not included in the foregoing		282,583.97
		$148,702,336.14

A. COURTOIS, Chief Accountant.
BEAUDRY LEMAN, General Manager.
J. A. VAILLANCOURT, President.

Note:—The assets and liabilities of Banque Canadienne Nationale (France) same being considered a branch operating as a subsidiary of Banque Canadienne Nationale, are included in above Balance Sheet.

AUDITORS' CERTIFICATE

We beg to report to the Shareholders of Banque Canadienne Nationale that we have checked the cash and verified the securities of the Bank at the Chief Office as at 30th November, 1927, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1927, according to the best of our information and the explanations given us, and is as shown by the books of the Bank.

We have obtained all the information and explanations required by us, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

Montreal, 19th December, 1927.

EUG. TRUDEL, C.A., of LaRue & Trudel.
JOHN W. ROSS, C.A., of P. S. Ross & Sons.
Auditors.

A. J. Pattison, Jr. & Co.
LIMITED
INVESTMENT BANKERS
BONDS AND SHARES
"Specialists Unlisted Bonds and Stocks"
219 Bay Street, (Ground Floor)-Toronto
Elgin 8101-8102-8103 8104-8105-8106

Three Offers Made by Abitibi Power to Spanish River

From Market Angle, Exchange Will Disappoint Some Holders

BENEFIT TO COMPANY

Viewed from Revenue and Investment Point of View, Proposal Appears to be Fair One

From Our Own Correspondent

MONTREAL.—The Abitibi Power and Paper Company has made the long anticipated offer to the preferred shareholders of the Spanish River Pulp and Paper Mills. Viewed from a market angle, the exchange will disappoint some of the holders of Spanish preferred. Viewed from a revenue and investment angle, the offer appears to be a fair one.

Spanish preferred stockholders may now exchange each of their shares for: one new, 6 per cent. Abitibi preferred, plus half a share of Abitibi new common; or, for 1 1/6 shares of new preferred, plus a ¼ share of new common; or for 1 1/3 shares of new preferred. The Spanish preferred need not accept the offer or they can accept any combination of the foregoing three offers applying each offer to any proportion of their total Spanish preferred holdings.

Marketwise, it cannot be gainsaid that the offer is disappointing. Looked at from the investment or the yield angle, these offers to Spanish preferred present an entirely different aspect.

Annual Yield

In the first place, it will be seen that all three assure the Spanish preferred shareholders an annual return of $8 per share as against a present yield of $7 per share. This increase in the annual yield from the Spanish preferred is identical with the increased yield granted the common shareholders of Spanish in the recent exchange.

The new Abitibi preferred should at first sell around par and later should sell higher for there will be a wide international market for this new Abitibi, 6 per cent. preferred, which, together with the large equity back of the stock, will make it a favorite international investment issue. The new preferred will rank with the highest grade preferred shares in both Canada and the United States.

Those shareholders who take the half share of Abitibi common will obtain an excellent common stock which over a term of years gives every indication of appreciating in value. Coupled with this, of course, is the fact that the security behind the new Abitibi preferred is such as to place the new preferred in an entirely different and higher category than Spanish preferred — eliminating, of course, the participating features of the old stock.

From Investment Angle

From an investment and from a yield angle, Spanish preferred shareholders appear to have received an offer which could not have been more liberal without sacrificing the rights of the old common shareholders. Marketwise, the offer will disappoint many who were in the shares for a quick turn. Those who bought the stock recently for such a purpose apparently took no consideration of the fact that last year Spanish River earned its dividends only by a narrow margin; on the figures shown, the participating features of the shares could only be considered as a very remote possibility.

In other words, those making the offer feel that recent markets for Spanish preferred discounted the participating features of the issue without taking into consideration either the earnings from the property or the present exceedingly depressed state of the newsprint market.

Many of the larger Spanish preferred shareholders, it is understood, have already signified their intention of accepting one of the three offers. But any Spanish preferred shareholder who does not care to make the exchange is amply protected. He can be sure that the consolidation of the two companies will not work out to his disadvantage. The reason is that the Spanish River Pulp and Paper Mills management is controlled by the bondholders who share in the profits of the company. They appoint five out of the seven directors.

Obviously these directors in safeguarding their own interests will also safeguard the interests of any preferred shareholder who does not care to make the exchange. But the retention of the Spanish preferred will result in the holder receiving a $1 per share less each year in dividends, at any rate for some time. The Abitibi management does not make the offer of exchange conditional upon receiving any proportion of the total preferred stock outstanding.

Material Change

In any consideration of the whole Abitibi-Spanish deal, it is to be remembered that when negotiations were under way last autumn, the price of Spanish shares at that time was such that the present offer to Spanish preferred would have worked out without depressing the shares. Since October last there has been a material change in the market price of the securities. At the moment, the deal has benefited the common shareholders of Spanish and has lowered the market's valuation of the preferred. The situation might be entirely reversed if the present hesitancy in the demand for newsprint persists many months more.

The Spanish preferred shareholders who accept any one of the three alternative offers will, like the common shareholders of Spanish, participate in an increase of $1 per share annually from the beginning of 1928.

The directors of Spanish have unanimously advised their preferred shareholders to accept the offer. The views of the Abitibi directorate on the offer are perhaps best summed up in the following words from a circular letter issued to Spanish River shareholders over the signature of Alexander Smith, president of Abitibi:

"The offer of the Abitibi Company is made after the fullest consideration by its Board of Directors, and represents the unanimous opinion of the Board as to what constitutes a fair and just offer.

"You will note that the Abitibi Company proposes to accept for exchange any or all the preference stock of The Spanish River Pulp and Paper Mills and does not make its acceptance of the offer conditional upon the number of shares deposited.

"Its purpose in making this unconditional offer is to remove any element of compulsion and to allow each preference shareholder to act in his own discretion, according to his best judgment.

"The offer has been made sufficiently flexible to recognize, as far as is practicable, the different views that must necessarily exist among the preference shareholders as to the relative value and importance of their priority and participation rights."

N.S. Commission to Inquire into Besco Mine Operation

From Our Own Correspondent

MONTREAL.—The province of Nova Scotia is to appoint a commission under the Provincial Mines Act to determine whether or not three collieries, now owned and operated by the Dominion Coal Company, could be more advantageously operated. It is within the power of the commission to forfeit the leases and to grant them to some other operating company should the decision be unfavorable to the Dominion Coal Co.

At the collieries involved, there has been a distress amongst the miners and their families. The British Empire Steel Corp., in explanation of the hard times prevailing among the employees, contends that coal cannot economically be taken from these mines during the winter months.

SAGUENAY POWER ADDS TO CAPITAL WITH BOND ISSUE

Duke-Price Subsidiary Covers Important Industrial Area

New financing in the form of $1,360,000, 5½ per cent., first mortgage and collateral trust bonds, is being carried out by the Saguenay Electric Co., The issue is offered by Aldred & Co., and Wood, Gundy & Co.

Saguenay Electric is controlled by Duke-Price Co., through ownership of a majority of the issued shares. It has acquired the plants and distributing systems of a number of companies selling power in Quebec, for lighting, heat and industrial purposes. The company serves the district to the south and southeast of Lake St. John and portions of the Saguenay Valley, including Chicoutimi and many growing communities, such as Port Alfred, St. Felicien and Arvida.

The company has a contract with the Duke, Price Power Co., whereby it purchases from the latter, on favorable terms, such amounts as it requires up to an agregate of 10,000 h.p. In addition, the generating facilities of the company consist of a 3,500 h.p. hydro-electric plant near Chicoutimi and 600 h.p. in three other hydro-electric plants.

Particulars of the issue follow:

$1,360,000
Saguenay Electric Co.
1st Mortgage and Collateral Trust
5½% Sinking Fund Gold Bonds
Series A, due 1953

Dated Jan. 1, 1928 Due Jan. 1, 1953

Capital—
Funded Debt—

	Authorized	Outstanding
First mtge. and coll. trust gold bonds series A, 5½% (this issue)	$15,000,000	$1,360,000
Capital stock—		
pref. stock $100 par val.	800,000	700,000
Com. st., $100 par val.	1,700,000	750,000

Business—Supplies hydro power in the district of Lake St. John and Saguenay Valley for lighting, heating and industrial purposes. Has over 5,000 customers. The transmission system owned by the company consists of 10 miles of 13,000-volt lines, 14 miles of 6,600 volt lines and 82 miles of 2,200 volt lines.

Security—Secured by a direct first mortgage on company's lands, rights in land, water powers, dams, power houses, transmission lines, distribution systems and franchise now owned, and by a floating charge on all other present and future assets.

Earnings—Net earnings for interest and depreciation for the year 1927 were $120,000, or over 1½ times interest requirements on these bonds. It is estimated such earnings for 1928 will exceed $140,000.

Sinking Fund—Commencing on February 1, 1933, will pay to trustees an amount sufficient to redeem $34,000 annually, or sufficient to retire 50 per cent. of the entire series A issue by maturity.

Offer—Aldred and Co., and Wood, Gundy and Co., at 98.50 and accrued interest, yielding about 5.60 per cent.

Soon to Begin Trading in New Power & Paper Shares

From Our Own Correspondent

MONTREAL.—Trading in the debentures and shares of the new St. Maurice-Laurentide merger company, it is expected, will begin almost immediately. Shareholders of both companies can deposit their stock with the trust company immediately. The shares and the debentures of the new Canada Power & Paper Corp. will be ready for delivery this week. Application has been made to list the shares of the new company on the Montreal Stock Exchange.

In the merger of the two companies, there is no sale of the properties. The consolidation has been brought about simply by the exchange of stock recommended by the managements of both companies to their respective shareholders. The last date for turning in the shares is Feb. 29, when, it is anticipated, virtually all the shares of both companies will have been deposited.

Donnacona Paper to Retire First Mortgage Bonds

From Our Own Correspondent

MONTREAL.—Notice is published that the outstanding 25-year 6 per cent. first mortgage bonds of the Donnacona Paper Co., dated June 1, 1915, are to be redeemed on April 17 next at 105 and accrued interest. Notice is also given of the company's intention to redeem on March 18 next its outstanding 6 per cent. gold debentures of series "B," "C," "D" and "E." These debentures are redeemable at 102 and accrued interest.

Of the outstanding first mortgage 6's of the old Donnacona Co., $1,750,000 were offered by Royal Securities Corporation in August, 1919, at 96½ and $750,000 were offered by Royal Securities in January, 1923, at 100. An additional $500,000 were sold privately, making a total issue of $3,000,000, of which $332,500 had been redeemed up to Nov. 30 last. Substantial amounts of the bonds have been held by insurance companies and other institutions.

CANADIAN SALT SELLS MORTGAGE ON ITS PROPERTY

From Our Own Correspondent

MONTREAL.—The Royal Securities Corporation offered this week $1,000,000 of the first mortgage bonds of the Canadian Salt Company. Up to the present, the company has had outstanding only $1,480,500 in first mortgage bonds; the present financing provides for further extensions to the property.

Particulars of the issue follow:

$10,000,000, the Canadian Salt Co. 5½ per cent., first mortgage, sinking fund bonds, series B.

Capitalization: Outstanding, $1,480,500 in 6 per cent., series A, first mortgage bonds; $1,000,000 in 5½ per cent., first mortgage, series B, bonds. Both issues are due 1946. There is outstanding $1,500,000 in common stock paying 8 per cent. dividends.

The company: Has been in successful operation for thirty-four years, is the largest salt company in the Dominion.

Bond issue: Series B ranks equally with series A. Further bonds can only be issued under the restrictive clauses contained in the trust deed. Sinking fund on series B begins Jan. 1 next. It amounts to 1½ per cent. of the aggregate of the issue annually.

Purpose of issue: Will be used in part to provide the cost of extensive additions to the company's plants and properties.

Value of assets: After allowing for depreciation, the amount of fixed assets and liquid assets amounts to over $2,000 for every $1,000 series A and B bond outstanding.

Earnings: During last year, before depreciation, were equivalent to over 3½ times the annual bond interest requirements. Estimated earnings this year will be larger than in 1927.

Offered: January, 1928, by the Royal Securities Corporation at 102 to yield about 5.32 per cent.

M. AND P. STORES OFFER NEW STOCK

Border Cities Grocery Chain Passes Into Hands of Toronto Group

Another chain store enterprise is being added to the list of those which have made public offerings of stock. M. and P. Stores, Ltd., operating 40 grocery stores located in Windsor, Sandwich, Walkerville, Tecumseh and other border cities, is making a public issue this week through R. A. Daly and Co., of $200,000, 7 per cent. cumulative redeemable convertible first preferred stock.

Details of the issue follow:

M. and P. Stores, Ltd.
7% Cumulative Redeemable Convertible First Preferred Stock

History and Business.—Company established 14 years ago and has been built up out of earnings. Now operates about 40 stores and warehouses in the Border Cities.

Capital—

	Authorized	Issued
7% cumulative redeemable conv. 1st pref. stock	$200,000	$200,000
7% cum. red. 2nd preferred stock	30,000	30,000
Common stock (without nominal or par val.)	50,000 shs.	10,000 shs.

Earnings.—Average annual net earnings, after depreciation and income taxes, for the three years and ten months ended Nov. 12, 1927, amounted to $36,136, or equal to over 2½ times annual dividend requirements on first preferred.

Assets.—Net current assets as of Nov. 12 last, after giving effect to present financing, amounted to $237,893. Net tangible assets amounted to $261,376, or equal to $130 for each share of preferred stock.

Management.—Will be in hands of experienced men.

Purpose of Issue.—Proceeds will be used to acquire business and provide additional working capital.

Conversion Privilege.—Up to and including January 1, 1933, can be converted into common stock on the basis of 3 shares of no par common stock for one share of first preferred stock.

Offer.—R. A. Daly and Co., at 100 and accrued dividend per share.

Oil at 5,000 ft. is Hope of Foothills Oil & Gas

Latest reports of Foothills Oil & Gas Co. drilling operations are that 3,498 ft. is the lowest depth reached and that the drillers are fishing for lost tools. The well touched the Dakota sands at 2,883 feet. It is estimated that limestone will be reached in another 400 or 500 feet and the Royalite horizon is expected 300 feet farther on. This would lead to the hope that oil will be reached at depth of about 5,000 feet. This report concerns Foothills Well No. 1, on which operations were started July 2nd.

Foothills No. 2 was formerly known as the Dolomite well. The depth at which Imperial Oil took over the drilling was 1,850 feet.

Foothills Oil, in which Imperial Oil owns a substantial interest, owns 1,530 acres in the Alberta field. A block of stock was placed on the market in Eastern Canada at $2.50 the share about a year ago. The stock recently has been steady at $2.40.

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CENSUS RESULTS SHOW NEED FOR IMMIGRATION IN PRAIRIE PROVINCES

(Continued from page 1)

settle on the land, is definitely over. The depressing census result there is mainly due to the following facts: First, that considerable capital is now required to start farming, according to the requirements of people raised in the high standard of living countries from which we make an effort to draw population.. Secondly, that such people now land in the West without the needed capital. And, thirdly, that the West, being preponderatingly agricultural, cannot readily absorb that class of population into urban pursuits. Consequently, they and others go elsewhere.

There is no great mystery about this unsatisfactory situation and all the elaborate precautions of our Immigration Department against admitting "undesirables" will not mend matters in the least. We are, on the contrary, confronted with the clearest possible proof that the whole movement of people into the West has been largely "undesirable." Otherwise they would have settled on the land, which must always remain the final test as to desirability. That there is nothing wrong with Western agriculture as a livelihood is amply proved by the enormous expansion of farming operations on the prairies during the past five years by an almost stationary, rural population.

National Colonization Investment

It is high time that Canada becomes deeply conscious of the necessity of aproaching the immigration problem from an entirely different angle. The central idea must be, by the use of public funds, to actually settle rural, and nothing but rural, people on the land and to see that they remain there, as far as possible. Only in this manner will we be able to make any permanent, worth while contribution to our national development, rural and urban, east and west. The class of people that will ultimately attain the greatest success on the land, is precisely the class that is least able to finance such a venture. I refer particularly to the sturdy, married, agricultural laborer and the small-holding farmer in Great Britain and Northern and Central Europe. These are by long odds the best raw material for pioneering, being accustomed to hard work and rigid frugality. Any sound scheme of assisted colonization must primarily be based on the colonists possessing these essential qualifications as well as being thoroughly practical farmers. No other class will show a satisfactory percentage of success.

Such a policy would involve a large capital outlay, as well as wise and skilled direction. Past experience would have to be drawn upon to avoid the pitfalls and mishaps that have so frequently led to disappointing results in this difficult field. Our governmental machine at Ottawa today, political and administrative, apparently has neither the imagination, courage nor experience to grapple with any such heroic, national development program. The demand must, therefore, come from the people of Canada and until the Canadian press makes a concerted effort to place the true facts of the case before their readers, no public opinion will be created with sufficient driving force to goad reluctant Canadian leaders into action.

British Colonization Plans

It is announced that a plan involving a co-operative colonization effort has now been completed by Canada and Great Britain designed to settle British boys in this country, after a certain probationary and agricultural training period. This project will apparently extend over ten years and contemplates an expenditure of ten millions. On the face of it, it looks plausible, but paternalism sticks out everywhere. Some of these boys will doubtless succeed, but the business mortality rate amongst them will be great. These involved projects all strand on the human element. Theoretically, they seem flawless; practically, they are often worthless.

The fundamental error lies in supposing that pioneer farming is so profitable an occupation that it will readily yield a living, according to Anglo-Saxon standards, pay operating expenses, interest on borrowed capital and also leave annually a fair margin available to discharge a large capital liability. In other words, it is complacently assumed that a modern, well-equipped farm can safely be started on the proverbial "shoestring" and made to pay for itself. Of course, it can be done and actually has been done, but only by experienced, work-hardened and thrifty—not to say parsimonious—people. Let me just ask, what proportion of average, native Canadian boys, resourceful and versatile as they undoubtedly are, would succeed in working out such a problem? The one conspicuous individual in ten might "get away" with it.

Such a small average of success is, however, much too narrow to serve as a foundation for great, public policies involving the expenditure of millions. British statesmen must necessarily take our word for it, but Canadian statesmen should strive to "know their onions," before they tender advice to the harassed Motherland and lead her into enormous capital investment with so little chance of full repayment or of even serving any considerable useful purpose in the end.

While the motive behind this movement is altogether admirable, and everyone will earnestly wish that it may succeed, the detail so far given to the public is not confidence-inspiring. Practical, western colonization experience up to date is all against its success. The fact that private enterprise has established community settlements of Mennonites, Hutterites and Doukhobors on a similar plan is no argument at all. No useful comparison can obviously be drawn between these two classes of settlers.

"3,000" British Family Scheme

Let me also sound a word of warning. The "3,000 family scheme," about which we hear so much, will probably not be any more successful than our soldier settlement plan has been. Patriotic considerations and Empire policies are obviously involved in both of them and, under the circumstances, the merits and demerits of these enterprises cannot perhaps fairly be measured by the unsentimental yardstick of cold business. It is, however, not reassuring that these British families have been colonized to a large extent on lands upon which soldier settlers failed and which reverted to the Crown. This in itself might not in every case indicate any serious handicap. But the whole scheme impresses one as unsound, inasmuch as it saddles the occupant with far too great an interest bearing, capital liability. These people are necessarily comparatively inexperienced and unacquainted with Canadian agricultural practices. Many will doubtless succeed, but most of them are foredoomed to failure.

To make the land carry, and ultimately discharge, the extravagant liability involved, and at the same time provide such a living for a family, as the Britisher is accustomed to, and very properly demands, is the task of the master-farmer. The average man would need to consecrate a considerable period of his life to unremitting, hard labor, and be prepared to practise severe and grinding economy in living for such a period. Some will qualify on all these points, but I may be pardoned for doubting whether any large proportion of these settlers will measure up to the very high calibre obviously required for success. If they do, they are absolutely in a class by themselves amongst high standard of living Anglo-Saxons.

Fundamentals in Assisted Settlement

I want to emphasize strongly the fact, that all Western experience to date points to the conclusion that colonization assistance to the average run of people, without capital, cannot ultimately be repaid, except where they are settled on cheap lands, are willing to live and operate under crude, pioneering conditions, are accustomed to what we would consider a very low standard of living and, lastly, that the amount of the capital advanced has been strictly limited to bare necessities. These fundamental requirements have been almost completely ignored in connection with our plans for British agricultural settlement so far. As purely patriotic undertakings, we can probably afford a large proportion of failures. But we should be prepared for such a contingency and be chary with criticism of those entrusted with the detail administration of these projects. They will need much sympathy until the final chapter of these adventures are written, which will not be for many years to come.

We do not sufficiently discriminate between "immigration" and "colonization" in Canada. The total failure of our Federal Department of Immigration to successfully work out any intelligent colonization policy, has not been sufficiently stressed. We complacently play with a "3,000 British family scheme," taking years to work out even so puny an effort. There we come to a full stop as far as assisted colonization is concerned. Nothing short of a comprehensive plan, involving the actual placing of people on the land, followed by an intelligent, friendly interest in their welfare for a couple of years after settlement, will answer Canada's urgent requirements. It would also be absolutely essential to provide modest, financial assistance to worthy, selected families to enable them to make the move. Canada, if she is to solve her population and economic problem, must evidently acquire the habit of thinking in terms of tens of millions of dollars in connection with an effective scheme of further agricultural development.

Practical Plan

Intelligently handled, however, no national investment we can make will yield greater returns than providing an adequate, revolving capital to be utilized as direct loans to experienced farmers settling on our vacant spaces, at a nominal rate of interest and with a repayment period of from 20 to 30 years. Private interests have not hesitated to adopt this policy in the West during recent years in volume running into millions; in fact, the only bona fide colonization effort in Canada during that period has been made on this basis and without the slightest assistance or encouragement from the Federal Government.

It is also interesting to note that the first prairie settlement in the West was organized on that plan, so Canada has a very happy precedent for such a policy. The early Mennonite colonization in Manitoba was based on Federal financial advances to the extent of $100,000, which was repaid, in full, with 6 per cent. interest, within six or seven years.

Our doors should, of course, be thrown wide open to every normal Britisher who wishes to make his home in Canada. We should also welcome acceptable agricultural settlers from Northern Europe, and other "preferred" countries. But those who are actively engaged in immigration work will tell us, without the slightest hesitation, that when all the available rural people from these countries have reached our shores, the total will only represent a fraction of Canada's obvious and pressing agricultural population requirements, and those who are best informed on this subject have no hesitation in asserting that in order to attain worth while results, in respect to actually settling experienced farmers on the land, we must turn our attention to that great, human reservoir in Central and Eastern Europe, where a class of small farmers can be obtained who love the soil and ask nothing better than an opportunity to create homes on Western Canada's fertile plains.

Our Real Problem

Approximately one-third of our estimated area of arable land is today alienated and occupied, though not fully developed. If we credit the people who selected this land with ordinary, common sense, we must conclude that it contains the cream of of our vast, arable area. Our present unalienated, arable area falls distinctly within the category of medium or inferior lands. The key problem in colonization is, therefore, the development of this enormous residue of inferior lands; lands generally of average soil quality, but involving heroic pioneering effort in the way of clearing, stone picking, etc., in order ultimately to redeem and improve them into high class, productive farms.

We might as well clearly recognize that the greater part of this strenuous enterprise cannot be successfully accomplished by people accustomed to the high standard of living of most of the countries we now designate "preferred" in our present immigration policy. The small farmer of Central and Eastern Europe, on the other hand, possesses in a high degree the peculiar qualifications essential to successful pioneering, the most important of which are rigid frugality, perseverance and unremitting industry, and there is not apparently, the least danger of any demoralizing influence to our native population from contact with this class of people.

A recent press dispatch reporting a speech delivered in Winnipeg by Hon. Mr. Forke, Minister of Immigration, conveys the first intimation of the dawn of an intelligent understanding of our immigration problem that has emanated from that department since the Great War. It reads in part:

"There is no more reason to fear the bolshevik from Central or Eastern Europe than the bolshevik from London," declared Hon. Robert Forke, speaking Tuesday night at the annual banquet of the Liberal Association of Manitoba. In predicting that there would be no danger of too many Central and Eastern European immigrants being brought in to Canada next year, the Federal Minister defended this class of settler against charges that through them bolshevik tendencies are being introduced into the Dominion.

To those who realize the difficulties Canada faces in promoting actual agricultural development through successful colonization, it is encouraging to learn that the prejudice against this class of colonists, which has hitherto obsessed Ottawa, is gradually yielding to a saner comprehension of the whole situation. Canada's greatest present need is, in point of fact, the co-operation of hardworking, frugal people, with modest expectations in life, building up permanent, rural settlement. The "agricultural drifter" has done more harm than good. The people Mr. Forke refers to have their roots planted deeply in the soil. They belong to the class that will cheerfully face the hard and exacting life of pioneering involved in homemaking on the remaining vacant lands of Canada, east and west, where clearing and other back breaking and uninviting jobs are essential to success. People of nationalities accustomed to a higher standard of living, have passed up these huge, marginal areas for many years and their profitable utilization has now become Canada's great problem.

Settlers of that class have little capital and must be financed to a limited extent. While on this subject, I would like to make a very clear distinction between the character of the plan I have in mind and those followed in connection with our soldiers' settlement scheme and the Empire Colonization plan now in operation, both of which contemplate advances vastly in excess of rigid, pioneering requirements, and, consequently, hamper the new settler with a very serious capital liability. In both of these cases patriotic considerations enter into the question, which would have no place in a purely business transaction such as I have made reference to here.

My view is that assisted settlement of the character I propose should be based strictly on minimum, pioneering necessities. The settler would start in his "dug out" with only the most essential livestock and equipment, as perhaps most of our successful farmers did in the past.

Advances would not exceed a thousand dollars per family. There are millions of agricultural people available in Europe who would fervently embrace such an opportunity to establish homes for themselves in Canada and a not inconsiderable number in Great Britain and Ireland.

Expert's Opinion

Is a comprehensive assisted colonization plan for Canada feasible? If soundly conceived and administered, absolutely so. Few men can speak on colonization with greater authority than C. A. Magrath, one of the earliest pioneers of the West, who settled enormous areas there. His wide, practical and successful experience in colonization is recognized. His present position as chairman of the Ontario "Hydro" organization might well guarantee his business perspicacity. The following are extracts from an article containing his conclusions respecting colonization:

"....What safer security is there for moneys advanced on the credit of the country than lands under production? That which we seem to indulge in most to-day is talk about the uselessness of trying to look for people to go on our lands when so many are leaving the country. The question we should ask ourselves is: 'Have we ever developed an organization with money and courage to help to place these people where they could be self-supporting on the land?'

"People in comfortable circumstances do not, as a rule, emigrate. Let us understand once and for all that we must use our credit if we expect to settle Canadian lands. The whole trend of thought in this country to-day is against spending. My point of view is just the opposite. I would spend every penny I could get my hands on for land settlement, provided I was getting results in nailing people down on the land."

Pump in Britishers

I earnestly commend the above sensible conclusions to the attention of the people of Canada. It is high time we discard the expensive frills in our colonization policies and focus our attention on severely practical measures, which would ensure somewhere near adequate and permanent results. Export markets for industrial products are at best elusive and uncertain. Canada must, at the earliest moment, create a greater home market for her top-heavy industrial machine and adequate business for her over-expanded transportation systems, through sound, agricultural development.

An important by-product of such a policy would be our ability to absorb into urban employment that large influx of British people of all classes, which we talk so much about, but do so little to render possible. If we are honest in our constantly reiterated desire to promote the greatest possible movement of all-British immigration, we should abandon our present discriminating attitude towards the urban Britisher who may happen to be a member of the great army of unemployment at home. We should welcome him to Canada and seek to create for him the opportunity to better his condition and thus render a real service to the Motherland and, incidentally, to ourselves. We can well afford to do so. To keep on harping on "agricultural" immigration from Great Britain—where there is practically no such people available—stamps our whole official propaganda there as a mere spectacular gesture, devoid of even a shred of patriotism. Great Britain wants to keep her small agricultural population. No country needs them more than she does.

Brokers Accounting Systems

Persons experienced in installing systems in Brokerage Offices (especially to take care of marginal transactions) are open for engagements in Canada on a fee basis. Have thorough knowledge of Canadian stock exchanges. Inquiries invited. References given.

Box 152,
Financial Post, Toronto

The Royal Bank of Canada

DIVIDEND No. 162

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of March next, to shareholders of record at the close of business on the 31st day of January.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., January 13, 1928.

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The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 25th January, 1928, at twelve o'clock noon.

By order of the Board.
C. A. Bogert,
General Manager.
Toronto, 24th November, 1927.

Situation Want

By salesman experienced in bonds. University graduate, in Toronto. Box 1
The Financial Po
Toronto, Ont.

ONTARIO

Sale of Timber

Tenders will be received by the undersigned up to and including Thursday, 2nd February, 1928, for the right to cut the Green White Pine and burned Pine on Townships 28 and Range 21, and Township 28, Range District of Algoma.

Further particulars may be obtained upon application to the undersigned or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this notice will be paid for.
Toronto, January 5, 1928.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the quarter ending December 31st, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Friday, the 6th day of January, 1928, at 4 o'clock p.m. and payable on Saturday, the 14th day of January, 1928.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.
Wednesday, December 21st, 1927.

THE STANDARD BANK OF CANADA

Quarterly Dividend Notice No. [illegible]

A Dividend of Three per cent. for the three months ending 31st January, 1928, being at the rate of Twelve per cent. (12) per annum, has been declared payable on the 1st of February, 1928, to shareholders of record as of the 16th of January, 1928.

The Annual General Meeting of the shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the 22nd of February next, at 12 o'clock noon.

By order of the Board,
N. L. McLEOD,
General Manager.
Toronto, December 21st, 1927.

The Bank of Toronto

Dividend No. 186

Notice is hereby given that a Dividend of Three per cent. upon the Paid-up capital stock of this bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of March next, to shareholders of record on February 15th, 1928.

By order of the Board.
JOHN R. LAMB,
General Manager.
Toronto, 11th January, 1928.

SOUTHERN CANADA POWER COMPANY LIMITED

Dividende ordinaire no. 11

UN DIVIDENDE d'un dollar ($1.00) par action ORDINAIRE SANS VALEUR AU PAIR DE LA SOUTHERN CANADA POWER COMPANY LIMITED a été déclaré payable le 15 février 1928, aux actionnaires enregistrés le 31 janvier 1928.

Par ordre du conseil d'administration,
L. C. HASKELL,
Montréal, 16 décembre 1927.

DIVIDEND NOTICE

Massey-Harris Company Limited

Preference Stock Dividend No. 8

Notice is hereby given that a dividend of 1¾% on account of dividends for the present fiscal year has been declared on the 7% Cumulative Preference Stock of the Company.

The above dividend is payable on and after the Fifteenth day of February, 1928, to shareholders of record at the close of business on the Thirty-first day of January, 1928.

By order of the Board.
C. N. APPLETON,
Secretary.
Toronto, 16th January, 1928.

ZIMMERKNIT, LTD.

Preferred Stock Dividend No. 2

Notice is hereby given that a dividend for the current quarter, at the rate of seven per cent. (7%) per annum, will be paid by cheque on or after February 1st, 1928, to preferred shareholders of record at the close of business on the 25th day of January, 1928.

ZIMMERKNIT, LIMITED.

ASK FISHERMEN TO HELP SAVE SALMON TRADE

Vancouver Paper Appeals on Ground of Ultimate Benefit to All

In a well-reasoned and temperate editorial, the Vancouver Province appeals to fishermen of British Columbia either to submit proposals to government authority for the preservation of the salmon industry or to agree to plans developed by government officials in conjunction with cannery interests. The appeal is on the broad ground that the salmon industry is not the private perquisite of fishermen, but belongs to British Columbia as a whole.

As the securities of at least two of the largest canning companies, B. C. Fishing and Gosse Packing, are held by investors throughout Canada, and by reason of the fact that the natural resources are national, as well as provincial assets, it is worth while to study the Daily Province's exposition of the case. The editorial follows:

Of all British Columbia's principal industries, the only one which did not show up well in 1927 was fishing. It is true, there was great development on the west coast of Vancouver Island, and a great volume of fish meal, pilchard oil and salt herring was produced, to the profit of the operators and the west coast fishermen. But the halibut banks yielded less than in previous years and the output of our great staple, salmon, was far below what it should have been.

To Preserve Halibut

Steps have been taken in conjunction with American interests to restore the halibut fisheries, and, quite recently, W. A. Found, director of fisheries service at Ottawa, spent some time on the Pacific Coast looking into the salmon situation. During Mr. Found's investigations it became very clear that there were several things wrong with the salmon industry in British Columbia. For one thing, the salmon are becoming depleted. Too many are being caught and too few are being allowed to get up the streams to the spawning grounds. In the second place, there are too many men catching salmon. The number of licenses issued in 1924 was 7,760. The number issued in 1927 was 12,891, an increase of 68 per cent. in three years. The result is unfortunate for the fish, since too many are taken, and unfortunate for the fishermen, who find it difficult to make a living. In the third place, what with fewer fish and more equipment, the cost of production has been forced up, and this bears heavily on the cannerymen.

Mr. Found came west as a representative of the fisheries department, seeking a solution to the salmon problem, and looking for light on the three proposals put forward by the British Columbia Canners' Association. These proposals were:

(1) That the coast of British Columbia be divided into fishing areas of such proportions as to support the plants in those areas.

(2) That the maximum amount of gear to be fished in each area, before an additional weekly or annual closed season would be added, be stated in the regulations.

(3) That salmon — except the catches of trollers or fish for export, fresh fish markets or cold storage— be processed in the area in which it is caught.

The first two proposals were being considered by the department before they were put forward by the canners. The third is intended to make the application of the other two more effective. The aim of the proposals is obviously the maintenance of the salmon fisheries and the plan is to promote conservation by making it to the interest of the canners and fishermen of each area to conserve. Under the first proposal, the coast would be divided into about twenty-two districts, each with a definite number of canneries. To each district, under the second suggestion, a fixed number of licenses would be assigned, and if this number was exceeded in any year, the weekly or annual closed season of the area would be proportionately increased. Thus the amount of actual fishing in each area would be kept at the desired level, and it would be to the interest of the canners and resident fishermen to see that it was kept so. The third proposal is intended to make it impossible for fishermen or seine boats from an area where fishing is over or where it has not yet begun, to raid other areas where fishing is in progress, taking their catches back to their own canneries for processing. The assumption is that if fishermen and canners know they must depend on their own areas and their own areas alone they will be careful to see that these areas are not depleted by over-fishing or illegal fishing.

Proposals Fair

The proposals discussed above appear to be eminently fair. Unfortunately they have been almost unanimously rejected by the fishermen of British Columbia, who do not trust the canners. Unfortunately again, the fishermen have put forward no proposals of their own. So the department at Ottawa is left with the choice of putting the canners' proposals into effect in whole or part, of leaving matters as they are and allowing a repetition of the unprofitable season of 1927 with the ultimate extinction of the salmon fisheries, or of putting into force drastic conservation measures which will save the fisheries, but, for a time, will ruin the fishing industry.

When he was in Vancouver, Mr. Found stated that it was the determination of the department to maintain the fisheries at all costs. He wished to do it, however, in the most intelligent way and the most satisfactory way, and so sought the co-operation of those concerned. But the fisheries of British Columbia are not the private preserves of those who make a livelihood from them. They belong to British Columbia as a whole. British Columbia reaps a revenue from them, and it feels, in its entire business structure, the effects of the stream of ready money they set flowing. The interest in the question is, therefore, widespread.

The task which the department at Ottawa faces in connection with the British Columbia fisheries is no easy one. But The Province believes there is only one choice it can consistently make. It cannot let things slide. It cannot, if it is to act intelligently, snuff out the salmon industry for a term of years, ruining canneries and taking away the livelihood of fishermen, while it builds up a reserve of fish. It is its duty to conserve the salmon. It is no less its duty to conserve the salmon industry, and if the only or the most satisfactory way of discharging this double duty is by adopting the canners' suggestions, it should not hesitate. As for the fishermen, they must realize that if the salmon go or if the business goes, their livelihood goes too. They have a great deal at stake and they have a responsibility. If they cannot themselves suggest any scheme which will save the salmon and save the salmon business, they should be careful, at least, not to stand in the way of promising schemes which others put forward.

Word is received of two awards having been given to the horticultural division of the Dominion Experimental Farm in exhibitions at Brussels and Paris.

Newspapers Congratulate Post on Its New Size

Kingston Whig-Standard: We congratulate The Financial Post on its new appearance, and more particularly on the causes which led to this. As it says, there has been a steady increase in the circulation, which has now reached 13,000 paid, a figure that is the highest ever achieved by any Canadian business or investment paper, and one which puts The Financial Post among the leading financial papers of the whole world. In addition, the advertising revenue has been growing, enabling a larger number of pages to be printed each week and thus enlarging the service to the readers. The standard size of newspapers has been adopted, and the necessary equipment provided. It might very well be argued that this change is indicative of the progress which the country is making; it stands to reason that if a financial paper has to make the improvements and enlargements which The Financial Post has been forced to, the people must have been and are making money.

* * * *

Barrie Examiner: The first issue of The Financial Post for 1928 appeared in enlarged form, the size of page being increased to eight columns. This enlargement was found necessary to handle this paper's ever increasing services to its large list of readers. The excellent manner in which The Post covers its field accounts for the steady expansion which this strong financial publication has enjoyed.

Inter. Utilities Profits Up 100%

From Our Own Correspondent

MONTREAL.—An increase in the net earnings of well-nigh 100 per cent. is revealed in the following comparison of the income accounts of the International Utilities Corporation for the twelve months ending November 30, 1926 and 1927:

Twelve Months Ended November 30

	1927	1926
Gross earnings including other income	$5,667,804.34	$4,776,597.99
Operating expenses, including depletion, amortization, depreciation, maintenance and taxes, including Federal taxes and earnings applicable to minority interests in common stock of subsidiary companies	3,635,512.93	3,226,503.94
Net earnings	$2,032,291.41	$1,550,094.05
Deductions:		
Funded debt, interest and discount expense	$ 759,008.86	$ 784,211.99
Other interest	79,724.06	58,529.03
Dividends paid or accrued on preferred stocks of subsidiary companies owned by the public	288,398.78	210,575.81
Total deductions	$1,127,131.70	$1,053,316.83
Net income to surplus	$ 905,159.71	$ 496,777.22
Net surplus adjustments	*50,192.98	*1,564.86
Profit from sale of securities	84,832.05	....
Combined net earnings on the basis of stock ownership, Nov. 30, 1927, before provision of Federal income tax of the holding company	$ 939,798.78	$ 495,212.36

*Dr.

The foregoing figures clearly reveal that the annual report of the International Utilities Corporation for 1927 will be a far more interesting document to the shareholders than the 1926 report. For the first time since its inception, the company should show some real earnings on its class B shares. In view of the situation revealed in the foregoing income figures, the class A stock looks the more attractive as a long hold business man's high yield investment.

The Financial Post first called attention to the attractions of the common B stock last September when it was selling around $6. The betterment in the company's position resulted in a material increase in price during the last three or four months. The stock now sells around 10, though recently it changed hands as high as 13 on the Montreal Curb.

During the month of November the corporation in acquiring further properties issued 26,050 shares of class A stock, 79,557 shares of class B stock and 157,350 stock purchase warrants. The income figures for the year ending November naturally do not reflect the earnings resulting from the extension of the company's holdings. The capitalization of the International Utilities Corporation now stands as follows:

	Authorized	Outstanding Nov. 30, 1927
$7 prior preferred stock—no par value	100,000 shs.	36,968 shs.
Class "A" stock—preferential dividend $3.50 per share	500,000 shs.	158,798 shs.
Class "B" stock	*1,000,000 shs.	545,434 shs.

*215,788 shares reserved against outstanding subscription rights.

Price of Seats Increases on Montreal Stock Exchange

From Our Own Correspondent

MONTREAL.—The price of seats on the Montreal Stock Exchange jumped $20,000 within a week or two when a seat changed hands this week for $80,000. The exchange now has no seats in its treasury and as a result, it is only possible to obtain one through resignation, death or some exceptional circumstance. The minimum price for seats during the past ten years was $13,000. The business of the exchange has expanded rapidly and there is now talk of enlarging the exchange premises.

MACLEAN COMPANY ENTERS U.S. FIELD IN BUYING PAPER

Purchase of Inland Printer of Chicago Marks Canadian Advance

The MacLean Publishing Company, Toronto, have recently concluded arrangements whereby they have secured the control of "The Inland Printer," which is published in Chicago and which maintains offices in New York.

"The Inland Printer" is probably the best printed publication in America, in fact, throughout the world. For many years it has been regarded as a model of typography by printers and publishers in the United States, and it has been followed closely by many of the larger printers in foreign countries.

The MacLean Publishing Company have made no change in the management of the paper but hope to be able to make use of their knowledge and experience in the publishing field in an advisory capacity. They have published "Canadian Printer and Publisher" for nearly forty years, and while the management of the two publications, will be entirely separate and distinct, both publications should gain much through having the same ownership and control.

Keep Readers Informed

The MacLean Publishing Company have an office in London, England, as well as in New York and Chicago. They have endeavored to keep the readers of their twenty-six magazines, periodicals, technical and business papers, informed regarding new ideas and new methods that have been evolved in these countries. One of their objects in entering the United States field with a separate publication was to put themselves in still better position to keep abreast of the development which is constantly taking place in the publishing business in the United States.

"The Inland Printer" is a member of the Audit Bureau of Circulations, and has a net paid circulation of 12,706. It has a revenue exceeding a quarter of a million dollars per year.

A number of successful Canadian manufacturers, such as Salada Tea Company, the Laura Secord Candy interests, Massey-Harris Company, Gurney Foundry Company, etc., have established plants in the United States, but this is probably the first time a Canadian publisher has entered the American field in a big way.

Prudential Trust Postpones Special General Meeting

From Our Own Correspondent

MONTREAL.—The special general meeting of the shareholders of the Prudential Trust Company called for this week has been postponed until January 23, as B. Earl Brown, the president of the company, who has lost the confidence of his shareholders, has an injunction action before the courts to restrain the actions of the shareholders protective committee.

INTERNATIONAL PAPER RUMOR

From Our Own Correspondent

MONTREAL.—According to current gossip, it is understood that the International Paper Company has exercised an option on timber limits in Gaspe, formerly owned by the Wayagamack Pulp and Paper Company. The figure named in the transaction is $1,300,000.

CONFEDERATION LIFE

MAKES HISTORY IN

CONFEDERATION YEAR

1927

PAID POLICYHOLDERS AND BENEFICIARIES
$5,472,220

PAID AND HELD FOR POLICYHOLDERS SINCE 1871
$118,809,818

NEW INSURANCE WRITTEN AND REVIVED
$50,872,295

INSURANCE IN FORCE DEC. 31, 1927
$258,466,184

The Greatest Amount of New Business Written and the Greatest Gain in Insurance in Force in the Association's History

ASSETS DECEMBER 31, 1927
$57,133,487

SURPLUS FUNDS FOR FUTURE DISTRIBUTION
$6,589,901

The amount of surplus earned was the largest in the Association's history

Full Annual Report will be sent upon request

CONFEDERATION LIFE
ASSOCIATION
HEAD OFFICE . . . . . TORONTO

CAPITAL,
SURPLUS
and
UNDIVIDED
PROFITS
$146,176,246.85

Head Office:
55 Wall Street
New York

Twenty-One
Branches
in New York
and Brooklyn

Eighty-Seven
Branches in
twenty-two
Foreign Countries.

The National City Bank of New York
including
Domestic and Foreign Branches
Condensed Statement of Condition as of December 31, 1927

ASSETS

Cash in Vault and in Federal Reserve Bank	$145,059,782.64	
Due from Banks, Bankers and U. S. Treasurer	159,804,544.40	$304,864,327.04
Loans, Discounts and Acceptances of other Banks		1,060,100,920.89
United States Government Bonds and Certificates	$105,504,500.00	
State and Municipal Bonds	6,201,000.00	
Stock in Federal Reserve Bank	3,750,000.00	
Other Bonds and Securities	62,685,698.81	178,141,198.81
Subsidiaries:		
International Banking Corporation	$6,000,000.00	
Bank of Haiti, Inc.	2,000,000.00	8,000,000.00
Bank Buildings		23,462,393.69
Items in Transit with Branches		205,943.81
Customers' Liability Account of Acceptances		103,238,708.70
Other Assets		4,789,358.06
TOTAL		$1,682,802,851.00

LIABILITIES

Capital	$75,000,000.00	
Surplus	50,000,000.00	
Undivided Profits	21,176,246.85	$146,176,246.85
Deposits		1,275,041,964.34
Liability as Acceptor, Endorser or Maker on Acceptances and Foreign Bills		211,792,739.59
Circulation		98,995.00
Due to Federal Reserve Bank		30,000,000.00
Reserves for:		
Accrued Interest, Discount and other Unearned Income	$3,363,973.84	
Taxes and Accrued Expenses, et cetera	7,116,019.32	
Dividend Payable January 3, 1928	3,000,000.00	
Contingencies	6,144,272.06	19,624,265.22
Other Liabilities		68,640.00
TOTAL		$1,682,802,851.00

Above includes The National City Bank of New York (France) S.A.
Figures of Foreign Branches are as of December 24, 1927.

The Seal of Security

CHARLES E. MITCHELL, President
President, The National City Bank of New York
NORMAN L. C. MATHER, Managing Director

ADVISORY BOARD

SIR CHARLES B. GORDON, G.B.E.
President Bank of Montreal
President Dominion Textile Company Limited
Director The Royal Trust Company

SIR JOHN AIRD
President The Canadian Bank of Commerce
Director National Trust Company
Director Western Assurance Company
Director Imperial Life Assurance Company of Canada

W. A. BLACK, ESQ.
President The Ogilvie Flour Mills Company Limited
Vice-President Abitibi Power & Paper Company Limited
Director Bank of Montreal
Director Canadian Pacific Railway Company
Director Dominion Textile Company Limited

A. J. BROWN, ESQ., K.C.
Director The Royal Bank of Canada
Director The Montreal City & District Savings Bank
Vice-President Montreal Trust Company

HON. SIR LOMER GOUIN, K.C.M.G.
Director Bank of Montreal
Director The Montreal City & District Savings Bank
Director The Royal Trust Company
Director Lake of the Woods Milling Company Limited
Director Laurentide Company Limited

WILMOT L. MATTHEWS, ESQ.
Director The Dominion Bank
Director Confederation Life Assurance Company
Director The Toronto General Trusts Corporation

F. E. MEREDITH, ESQ., K.C.
Director Bank of Montreal
Director Canadian Pacific Steamships Limited

FRED W. MOLSON, ESQ.
Director Bank of Montreal
Director Canadian Pacific Railway Company
Director The Montreal City and District Savings Bank
Director The Bell Telephone Company of Canada, Limited

LT.-COL. HERBERT MOLSON, C.M.G., M.C.
Director Bank of Montreal
Director The Royal Trust Company

EDSON L. PEASE, ESQ.
Vice-President The Royal Bank of Canada
Director Montreal Trust Company

W. N. TILLEY, ESQ., K.C.
Director Canadian Pacific Railway Company

HON. J. M. WILSON,
Director Banque Canadienne Nationale

THE experience of over a century of judging investment values, coupled with the sound advice of clear-visioned men of affairs, stamps the investments offered by this Company with a Seal of Security that is very real.

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal

10 King Street East
TORONTO

204 Blackburn Building
OTTAWA

71 St. Peter Street
QUEBEC

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Gas Industry Shows Increase in Revenue

Efficiency Adds to Net Income Despite Lower Prices, Higher Taxes, Statistics Show

One of the most salient characteristics of the manufactured gas industry, says a bulletin of the American Gas Association, is steady and persistent expansion in all phases of the business, from year to year. It is interesting to note this stability and continued growth in number of customers, increase in gross revenues, and a number of persons employed in the industry. Consumers' Gas Co., of Toronto, is one of the Canadian members of this association, and while the figures compiled were mostly from those of companies operating in the United States, they can, in the main, be taken as typical concerning companies operating on sound principles in Canada.

In 1926, the total gross operating revenues of the industry increased $35,000,000, or 7.5 per cent. Continued economies in operation during the year reduced the increase in operating expenses (exclusive of taxes) to $20,665,000, or 6.7 per cent. Taxes, however, increased heavily during the year, by $4,754,000 or 11.3 per cent.

Taxation on Increase

The burden of taxation on the industry is high, says the association, and appears to be on the increase. The following tabulation shows the operating ratio, (ratio of operating expenses, including retirements, to total gross operating revenues) both before and after taxes:

Operating Ratio
(In per cent.)

	1923	1924	1925	1926
Before taxes ...	67.6	67.4	66.5	65.7
Including taxes ..	76.2	76.0	75.2	75.0

The effects of increased taxation are shown more clearly, perhaps, by the following ratios:

	1923	1924	1925	1926
Taxes to gross revenues	8.7	8.7	8.9	9.2
Taxes to total operating exp (including taxes)	11.4	11.4	11.8	12.2
Taxes per MCF sold	.098	.097	.098	.101

In spite of this increased tax burden income from operations registered an increase of $9,681,000, or 8.4 per cent. during 1926, clearly reflecting the advantages that are accruing to the industry of industrial, commercial and house heating loads.

Earnings and Fixed Charges

Although fixed charges increased by over $3,000,000 or 6.4 per cent. in 1926, the gross income available for such fixed charges increased by more than $10,346,000 or 7 per cent. In 1925 fixed charges constituted 10.3 of the total gross operating revenues of the industry. In 1926 this ratio was 10.2. The essential soundness and desirability of gas company bonds is indicated in the following tabulation:

	1923	1924	1925	1926
Number of times fixed charges were earned	3.0	3.0	3.1	3.0
Ratio of net income after fixed charges to gross operating revenue (in per cent.)	19.1	20.0	21.3	21.3

The margin of net income after fixed charges has increased steadily during the four year period. This continued improvement in the financial position of the manufactured gas industry is demonstrated in the most striking manner by an index of gas bond prices, with two standard bond price indexes, one for highest grade railroad bonds, and the other for industrial bonds.

The indexes are derived from the yield of the average price of the bonds for each day of the month, the average yields for the ten bonds of each class being capitalized at 4 per cent. to give the combined index.

In 1923, the average for the gas bond index stood 1.61 points below the average for the industrial bond index, and 12.20 points below the average railroad bond index. In 1926, however, the gas bond index averaged 3.82 points above the industrial index and only 7.8 points below the railroad bond index.

Gas Bonds Rise

Comparing the average of each index for 1923 with its average for 1926, the industrial showed a rise of 5.59 points, the rail index a rise of 6.62 points while the index of gas bond prices rose over 11 points, demonstrating in the most convincing manner the improved status which securities of the manufactured gas industry have in the minds of the investing public.

Table 1 summarizes some of the main trends shown in the comparative income statement. The data are all plotted to the same logarithmic or ratio scale.

Although operating expenses increased at a slower rate than gross revenues, a considerable proportion of this difference was absorbed by increased taxation. Fixed charges appear to increase at about the same rate as gross revenues.

The most encouraging indication is that despite increased taxation, net income is increasing at a somewhat faster rate than operating expanses, fixed charges or gross revenue, and demonstrates clearly that the industry's expansion is being planned upon a sound economic basis.

Gas Is Cheaper

Many of the important trends of the industry are also indicated by the combined income statement per thousand cubic feet of gas sold, as shown in Table 2.

Both the revenue per thousand cubic feet of gas sold and the total gross operating revenue per thousand cubic feet, have declined steadily during the period. The unit cost per thousand cubic feet also declined steadily, while at the same time operating income, as well as net income per thousand cubic feet continued to increase, affording additional indications that through aggressive merchandising based upon sound economic principles of rate making, the industry may diversify and expand its sales to the point where the resulting increased utilization of plant investment, together with improvements in the technique of production already accruing from the industry's research program, will result in lower net costs to the consumer and at the same time increase net income.

Comparative Combined Income Statement for Manufactured Gas Industry—Table 1

	1923	1924	1925	1926
Gross operating revenue from sales of gas	$422,972,000	$438,000.000	$452,000,000	$486,000,000
Miscellaneous operating revenue	12,028.000	12,000,000	13,000,000	14,000,000
Total gross operating revenue	$435,000,000	$450,000,000	$465,000,000	$500,000,000
*Operating expenses	$294,234,000	$303,030,000	$309,085,000	$329,750,000
Taxes	37,845.000	39,105,000	41,246,000	45,900,000
Total operating expenses	$332,079,000	$342,135,000	$350,331,000	$375,650,000
Income from operations	$102,921,000	$107,865,000	$114,669,000	$124.350,000
Non-operating revenue	21,880,000	26,280,000	32,085,000	32,750,000
Gross income	$124,801,000	$134,145,000	$146,754,000	$157,100,000
Income deductions	41,979,000	44,235,000	47,848,000	50.900,000
Net income available for dividends and surplus	$82,822.000	$89,910,000	$98,906,000	$106,200,000

*Including retirement expense.

Comparative Combined Income Statement Per Million Cubic Feet of Gas Sold in Industry in United States—Table 2

Comparative Combined Income Statement per M.C.F. Gas Sold For the Manufactured Gas Industry in U.S.

		1923	1924	1925	1926
Gross operating revenue from sales of gas ..	Per MCF	$1.100	$1.081	$1.073	$1.067
Miscellaneous operating revenue	" "	.031	.030	.031	.031
Total gross operating revenue	" "	1.131	1.111	1.104	1.098
*Operating expenses	" "	.765	.748	.733	.724
Taxes	" "	.098	.097	.098	.101
Total operating expenses	" "	.863	.845	.831	.825
Income from operations	" "	.268	.266	.273	.273
Non-operating revenue	" "	.057	.065	.076	.072
Gross income	" "	.325	.331	.349	.345
Income deductions	" "	.109	.109	.114	.112
Net income available for dividends and surplus	" "	$.215	$.222	$.235	$.233

*Including retirement expense.

HARD TIMES EXIST FOR OIL CONCERNS SAYS CRONYN CO.

Imperial and McColl-Frontenac Are Possible Exceptions

Oil companies which are exclusively producers have been going through a hard time, says a bulletin issued by Edward Cronyn & Co., members of the Toronto stock exchange, to their clients. The bulletin adds that even those companies which are large producers and also manufacturers and distributors have, save in exceptional cases, not had the same success as those companies which manufacture and distribute only.

Imperial Oil, continues the bulletin in greater detail, may be taken to be an exception, as its control of that wonderful property, International Petroleum, which represents much the largest interest Imperial has in producing oil, has been of great financial benefit to the company. Other independents which have scored a phenomenal success include British American Oil, Canadian Oil and Supertest. These have all made a great advance in a comparatively short time and yet those people who understand market conditions and have a good knowledge of what constitutes a successful manufacturing and distributing oil business, say that this advance is not out of line with real intrinsic merit.

A new one, McColl-Frontenac, has lately made its appearance under very good auspices. This is a combination of two companies doing business in eight provinces. The Frontenac did most of its business in Quebec, where it has a very good system of distribution with many stations scattered throughout the cities, towns and villages of the Eastern Townships. McColl Bros. has developed a large business with thoroughly up-to-date distributing machinery and a very high class of products to distribute. Two of their important brands are Red Indian Motor Oil and Marathon Gasoline, while the Frontenac Company has the exclusive right for the manufacture of Cyclo Gas in Canada. This is an extremely valuable asset. Cyclo Gas has already made great headway in the motor world of the province of Quebec and with its very much increased outlet for distribution through all the McColl stations, it bids fair to be one of the most important earning items in this company's business.

The estimate of the earnings for the first year of the combined business, based upon the actual earnings of the present companies, shows a good surplus applicable to the common stock, and if reasonable patience is shown, a purchaser to-day may find himself in receipt of a return by way of dividend and also will have a material appreciation in the price of the shares, says the Cronyn bulletin.

At the time of the flotation, the price was $30 a share. They are now only a few points above this, but it is expected that before any real advance takes place a thorough distribution will be accomplished by those who are looking after the market. This will make a good foundation for an advance.

In the Mail

STAND BY CANADIAN MAGAZINES

Editor, The Financial Post:

My attention has been drawn to a leader article in The Financial Post of January 13th, in which you make reference to the supposed fact that certain news distributors and American publishers are intimidating news dealers to the extent that they have threatened dire results upon the offenders should they be found displaying Canadian periodicals in preference to those American periodicals now found on the newsstands. As a Canadian, and as a distributor of periodicals, might I be allowed to point out to you that in the organization to which all Canadian distributors of periodicals belong, it is a recognized fact that no discrimination is used in the display of magazines, and furthermore great assistance has been rendered to the Canadian publishers by the Canadian distributors in assisting them to place their periodicals before the public. I think that you might in all fairness to The Canadian Wholesalers' Association, an organization of Canadians who distribute periodicals, go further and explain more fully, instead of in veiled facts, what parties are guilty of this offence, if any, and thus vindicate an organization who are at all times willing to co-operate with Canadian publishers and who at all times adhere to the business ethics referred to in your article.

J. A. GLAVIN.

Ottawa.

U. S. and Foreign Trust Buys Into Standard Bank

Publication of the balance sheet of the United States and Foreign Securities Corporation reveals that this American investment trust, with assets of $46,000,000 at present market value, owns 1,000 shares of Standard Bank of Canada. This is a Dillon, Read & Co. trust. Dillon, Read are closely associated with Dominion Securities Corporation. Arthur F. White, an official of Dominion Securities Corporation, is president of Standard Bank.

The Aviation League of Manitoba has started a drive for increased membership, with 2,000 as an objective.

The Bank of Toronto Statement is the Finest in its History

General Improvement in Business Conditions Throughout Canada Indicated

Addresses of President and General Manager

The annual meeting of the shareholders of The Bank of Toronto was held Wednesday, January 18th, at the Head Office, Toronto. The address of the President, Mr. W. G. Gooderham, was given as follows:

The year just closed is notable for the sound progress made in nearly every branch of our economic life. Some of our industries have in previous times reached a greater pitch of prosperity, due to the war or to the expansion booms of earlier days, but 1927 brought substantial growth without the aid of abnormal conditions. Undoubtedly Canada will do well if it can continue in this way, and we as bankers can have no better objective than to help to maintain and promote development along these lines.

Nature's bounty, and stable conditions in the markets for most farm products, combined to make 1927 a year of sound prosperity in agriculture, and this in turn provided a healthy basis for manufacturing, trade and finance. The acreage sown to field crops, according to the Dominion Government estimates, was a little lower than in 1926, but the yields of practically every grain were slightly larger, and except for a slight decline in wheat the average value of every important grain has been higher. Our total field crops in 1927 are calculated to be worth One billion one hundred and forty-one million dollars, which is a little above the estimate for the preceding year.

Improved prices of live stock have stimulated this important branch of farming, and the demand for our dairy products has been good, so that the raising of animals both for sale and for dairy purposes has been encouraged. I think we should all be glad to note that the tendency towards mixed farming continues, for though new wheat lands are each year being brought into use, it is obvious that agriculture as a permanent industry must be along varied lines.

Industries based on our forest resources become more important each year. The lumber industry is still undergoing readjustment, but prices were steady during the year and a good volume was marketed. The big expansion continues to be in the pulp and paper field, however, and it is encouraging to note the tendency for carrying our raw materials through to finished products within our own borders. Several newsprint machines were installed in 1927, and the year's output was approximately Two million one hundred thousand tons, which is above the newsprint output of the United States, and more than double our own production of five years ago.

The year was a notable one in mining, the total production being valued at over Two hundred and forty-one million, which slightly exceeds the previous high record established the year before. More important than this gain, however, was the discovery of new deposits of great value, which will add to the list of big producers in the future.

The fish catch was on the whole not so good as in 1926. Precautionary measures taken by the Government to protect our future supply also proved a temporary hardship.

Manufacturing as a whole had a good year. The value of our manufacturing output is now over Three billion dollars a year, and it is growing steadily. Conditions in the iron and steel industry were better in 1927. Most branches of the textile industry are thriving. Even more notable was the demand for machinery and other capital equipment going into the extension of our industries.

The use of our water powers increases rapidly. Still only a small part of our total water powers are developed. These power resources are proving a great asset to Canada. They make up in some degree for the lack of coal in our central provinces, and afford a basis for industrial development.

The year's business cannot better be summed up than by a reference to a few items that are representative of the whole industrial structure. Employment in recent months, as shown by returns made by employers to the Dominion Government, has been exceptionally good. Immigration has been better, and with the British people looking in this direction with more favor, we are encouraged to hope for a bigger entry of **English-speaking** peoples.

The visit of the Prince of Wales and of Premier Baldwin of Great Britain, and the Empire Mining Congress, both appropriately taking place in the year of our Diamond Jubilee of Confederation, did a great deal towards stimulating interest in our country. Bank debits and clearings again show the total business of 1927 to have exceeded all previous records, and this is the more striking when we bear in mind the big reduction in prices that took place in 1920 and 1921. Increased car loadings and railway gross earnings are also evidence of the growth in production and marketing of commodities. High production records were achieved in a number of industries.

Our exports for the twelve months ended November were in round figures One billion two hundred and twenty-six million dollars compared with One billion three hundred and six million the year before. Imports, on the other hand, were One billion and eighty-six million dollars, a considerable increase over the figure of One billion and three million for the preceding year. We have still a good balance of exports over imports, however, and such a big investment of outside capital in Canada as took place during the past year is bound to increase our imports in relation to our exports.

This basic development has meant unusual activity in finance. New issues of Canadian bonds during the year totalled approximately Six hundred million dollars. The United States took about half of these new bonds, and Canada nearly all of the balance. The growing financial power of our own country is apparent, when we remember that before the war practically every bond issue of size had to be taken to Great Britain. And this power is all the more clear when we see savings deposits unaffected by such a big investment. In fact the latest returns show these deposits to be the highest on record.

Sales of Government and municipal bonds were not high as compared with some earlier years. This is in part due to more moderate programmes of expenditure, and also to the improved budgets of the Dominion and of some of the Provinces, which enable them to meet more of their requirements out of revenue. The Dominion Government was able to reduce its debt by over Fifty million dollars, Ontario has made a start on a comprehensive debt retirement plan, and some of the other provinces are working to the same end. These changes, which have been made possible by the prosperity of the country, make tax reductions practicable, and this in turn will gradually relieve industry of a burden which has been heavy since the war.

Financing of public utility and industrial corporations was very active during the year, the new issues going in part to raise capital for expansion, and in part to refund debts at lower interest rates. New stock issues were also above all previous records, being estimated at One hundred and eighty million dollars. Dealings in existing stocks on our exchanges were very high during the year. From excessive conservatism engendered by the Victory bond campaigns, and by the difficulties met by corporations shortly after the war, it appears that people have gone to the other extreme, and are now only too ready to risk their money in speculative ventures. This speculation is being watched with concern, and we hope that it will be checked in time.

So far as the future is concerned we have every reason to be confident. Our present prosperity is not superficial, but is well founded on natural resources, organization and efficiency.

Canada is in a strong position. Corporations and firms in most lines of business have had good years of earnings, and have strengthened their position. Throughout the whole economic field, from farm to factory and from factory to the retail store, there has, in recent years, been real progress in equipment and methods, which has gone a long way towards making Canada a bigger, stronger and more complex industrial country. We have only to keep our house in order and our optimism under control, practice the old virtues of industry, economy and patience, to realize our best hopes for ourselves and for our country.

The Address of Mr. John R. Lamb, General Manager, was given as follows:

Our balance sheet this year again reflects the growing prosperity of the country. We have had a good year. Our volume of business has been larger, and profits, as bank profits go, have been satisfactory.

Deposits:

Deposits have increased by over $12,000,000, or 13.72%, which compares with an average increase of 8.69% in the Canadian deposits of all the banks, excluding Government balances. An increase of over $5,000,000 in the Savings Department, or 9.35%, is satisfactory, the gain in this department for all Canada being 4.65%. We have, therefore, received more than our share of the average gains. We like to feel that to some extent this represents an expression of confidence in the Bank and its policies. If we are sometimes referred to as a conservative bank, at least we keep the institution safe for its depositors and shareholders, and we believe the public has an appreciation of this fact.

Commercial Loans:

Commercial loans and advances including advances to municipalities, are up over $10,000,000, or 18.61%.

Our increases in deposits and in commercial loans are somewhat exceptional and have been assisted by transactions which are temporary and possibly non-recurring. We do not, therefore, promise similar gains in 1928.

I have great satisfaction in certifying to the quality of our loans. These receive constant supervision and revaluation by our own officials, and also undergo special examination by your auditors. The figures at which these assets are taken into the balance sheet provide for all losses, known or anticipated, and we believe are fully realizable under any conditions which can reasonably be expected.

Cash:

Our cash assets, which include specie, Dominion of Canada notes, cheques on other banks, bank balances and deposit in the Central Gold Reserves, stand at $26,000,000 in round figures, an increase of over $5,000,000.

Securities owned by the Bank are down $6,000,000, and Call and Short Loans up $3,000,000. In regard to these two items, our securities are of the best and are carried at cost or less, which is well below present market prices.

Call loans are fully covered by listed securities, well diversified and amply margined. We have no heavy nor inactive accounts.

Profits:

Profits show a moderate increase. After paying the usual dividend and a bonus of 1%, and making customary deductions as reported in the statement, there remained $165,000, which has been added to Profit and Loss Account and carried forward.

We expect to continue the bonus inaugurated last year, and at the same time to continue adding moderately to our reserves. As our business expands reserves must be proportionately increased in order that all risks may be properly insured.

The book value of your stock now stands at $252 per share, and our disbursement for last year of $13 per share represents a return of a shade over 5%, which we think is not excessive. Bank stocks, however, have shared in the rapid advance in prices of all high-class securities. In our own case the market price has been marked up to a point where the yield is down to 4 1/3%—just about the same as on a Government bond. It is a question if present quotations do not discount the future too far ahead.

Bank Premises:

Bank premises are not materially changed. We spend a considerable amount in upkeep each year, as well as in new buildings, but this expenditure is taken care of through our Depreciation Account.

We have opened 12 new branches during the year and have closed 2, making a total of 177 branches now in operation.

The most noticeable feature of the present time, in my opinion, is the cheerful and confident outlook of our people. Only three or four years ago, or less, depression existed to a considerable degree, and our near future was viewed with some concern in many quarters. All this has changed. Confidence has steadily increased, particularly during the past year. Securities listed in our stock exchanges have shown rapid advances, and the year just closed reports the heaviest volume of trading in our history. There is, of course, a basis for much of the improvement in security prices. More money is available for investment, we have had several good crops at good prices, and the country generally is in better shape; purchasing power is higher, federal taxation has started downward, and there has also been a remarkable development in mining. After making all allowances, however, we wonder if confidence is not showing a tendency to outrun actual accomplishment, particularly in security prices. Human nature changes slowly, if at all, and the tendency to swing from one extreme to the other still exists. Volume and profits cannot be expected to run very far ahead of population, and it is therefore wise that in our present more prosperous condition we should not lose our sense of proportion.

There is, of course, no boom in industry, no undue additions to plant leading to over-production, no surplus of goods in the country, which is a very healthy situation, and so far there is no serious speculation in real estate and building.

On the whole our situation, if properly handled, gives promise, during the next ten or fifteen years, of more rapid growth and development, both in population and industry, than we have ever before witnessed in any similar period. We are practically certain of a steady increase in our agricultural production, and perhaps even greater than this will be the increase in the development of our mining areas. Manufacturing on an increasing scale will naturally follow, and our immigration problem will largely solve itself through our absolute need for workers.

Let us hope that as we go along we shall deal with our problems calmly, avoiding extremes, but with a true vision of our great future.

Staff:

We come now to the customary reference to the staff. If our enlarged business is a true indication, very satisfactory work has been performed all along the line during the year.

If we have anything good to say of the staff, no doubt the best way to say it is with increases and bonuses, and I am sure you will be glad to know that tangible recognition is being given in this way. The scale of pay has steadily increased during recent years, but no doubt there is still room for improvement. It is a fact that the benefit of increased volume and of economies is going to the public rather than to the staff or to the shareholders, and without doing the public any appreciable good.

Competition in banking is exceedingly keen. Rates of discount are fair, but, notwithstanding much higher operating costs, banks continue to give a vast amount of service to the public for nothing, or next to nothing. The machinery necessa[illegible] expense involved in cle[illegible]mous volume of transactions taking place every day from one end of the country to the other are not fully considered or appreciated by the public. For this condition both the banks and the public are responsible, but if the latter would pay a very slight profit, perhaps even the actual cost of these services, bank employment would soon come to be regarded as most desirable. This would be in the interest not only of bank officials but of the public, and banks could perhaps then afford to somewhat reduce their discount rates.

INCORPORATED 1855
THE BANK OF TORONTO
HEAD OFFICE
THE BANK OF TORONTO

SEVENTY-SECOND ANNUAL GENERAL REPORT

PROFIT AND LOSS ACCOUNT

The Balance at credit of Profit and Loss, on 30th November, 1926, was........		$ 480,772.11
The Net Profit for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of..............................		1,165,432.18
		$1,646,204.29
This sum has been appropriated as follows:—		
Dividend No. 182, Three per cent..........................	$ 150,000.00	
Dividend No. 183, Three per cent..........................	150,000.00	
Dividend No. 184, Three per cent..........................	150,000.00	
Dividend No. 185, Three per cent..........................	150,000.00	
Bonus of 1%, payable 1st Dec., 1927.......................	50,000.00	
		$ 650,000.00
Tax on Circulation..	$ 50,000.00	
Reserve for Accrued Taxes.................................	100,000.00	
Transferred to Officers' Pension Fund.....................	50,000.00	
Written off Bank Premises.................................	150,000.00	
		350,000.00
Carried forward to next year..............................		646,204.29
		$1,646,204.29

GENERAL STATEMENT

30th NOVEMBER, 1927

LIABILITIES

Notes of the Bank in Circulation..............................		$ 8,675,218.00
Deposits bearing interest, including interest accrued to date of statement....................................	$80,125,942.56	
Deposits not bearing interest.................................	21,176,707.07	
		101,302,649.63
Balances due to other Banks in Canada (daily exchanges)......	$ 885,634.97	
Balances due to Banks and Banking correspondents in the United Kingdom and Foreign Countries......................	1,769,789.01	
		2,655,423.98
Bills Payable...		562,877.80
Quarterly Dividend, payable 1st December, 1927...............	$ 150,000.00	
Bonus of 1%, payable 1st December, 1927......................	50,000.00	
Dividends Unpaid..	2,135.00	
		202,135.00
Letters of Credit outstanding.................................		3,000,869.34
Liabilities not included in the foregoing.....................		250,000.00
		$116,649,173.75
Capital paid up...	$ 5,000,000.00	
Rest..	7,000,000.00	
Balance of Profit and Loss Account carried forward...........	646,204.29	
		12,646,204.29
		$129,295,378.04

ASSETS

Current Gold and Silver coin..................................	$ 438,803.05	
Dominion Notes..	6,916,507.00	
Deposit in the Central Gold Reserves..........................	4,305,866.66	
Notes of other Banks..	726,255.00	
United States and other foreign currencies....................	102,859.32	
Cheques on other Banks..	8,464,267.87	
Balances due by Banks and Banking correspondents elsewhere than in Canada..	4,852,467.14	
		$ 25,807,026.04
Dominion and Provincial Government Securities, not exceeding market value..	$13,000,549.70	
Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian, not exceeding market value...	2,733,930.40	
Railway and other Bonds, Debentures and Stocks, not exceeding market value..	4,937,965.10	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover..........................	10,397,453.28	
		31,069,898.48
		$ 56,876,924.52
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful Debts...	$65,570,174.67	
Non-Current Loans (estimated loss provided for)...............	111,169.16	
		65,681,343.83
Deposit with the Minister for the purposes of the Circulation Fund...........		264,478.84
Mortgages on Real Estate Sold.................................		160,488.72
Liabilities of Customers under Letters of Credit, as per contra...............		3,000,869.34
Bank Premises, at not more than cost, less amounts written off..............		3,311,272.79
		$129,295,378.04

W. G. GOODERHAM,
President.

JOHN R. LAMB,
General Manager.

TORONTO, *30th November, 1927.*

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and certify that the above statement of liabilities and assets as at 30th November, 1927, is in accordance therewith and in our opinion discloses the true condition of the Bank. The Bank's investments and the cash on hand at the Head Office and at the Toronto and Montreal Branches were verified by us as at 30th November, 1927. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have in our opinion been within the powers of the Bank.

D. McK. McCLELLAND
of the firm of Price, Waterhouse & Co.
A. B. SHEPHERD
of the firm of Peat, Marwick, Mitchell & Co.

TORONTO, 21st December, 1927.

Many Electric Power Companies Constructed Notable Additions to Plants During Past Year

Gatineau Company Supplied Largest Developments With Two Units of Total Capacity of 174,000 Horse Power

B.C. ELECTRIC SUBSIDIARIES ARE ACTIVE

They Are Making Big Additions to Plant—Manitoba Paper Company, Shawinigan Power, Minnesota and Ontario Paper Company Are All Busy

A number of Canadian electric power companies extended their plants during the past year and a large amount of new hydro electric construction work is going forward.

The outstanding company power developments in 1927 were those of the Gatineau Power Company on the Gatineau River in Quebec province, where two plants having initial installations of 102,000 h.p. and 72,000 h.p. were brought into operation. Other installations of note were those of the British Columbia Electric Railway Company on Stave Lake, B.C., with 12,500 h.p., the Manitoba Power Company with an addition of 28,000 h.p. at Great Falls on the Winnipeg River, the Ontario and Minnesota Power Company with two new plants on the Seine River of 10,000 h.p. and 14,420 h.p. respectively.

B.C. Electric Activities

Subsidiaries of the British Columbia Electric Railway Company, the Burrard Power Company, the Vancouver Island Power Company, and the Bridge River Power Company, were all active.

The Burrard Power Company completed the construction of the power station at the outlet of the Alouette Stave tunnel on the shore of Stave Lake and the turbine of 12,500 h.p. was in place before the end of the year. The electrical machinery was also being installed and is expected to be in operation by March, 1928. A feature of special interest in connection with this plant is that it is to be operated by remote control from the Stave Falls plant.

The Vancouver Island Power Company, following the increase in storage made during 1926 in its Jordan River development, achieved considerable progress in the reconstruction of the flume carrying water to the power station. The capacity of the flume is being raised from 162 to 257 cubic feet per second.

The Bridge River Power Company carried on extensive preparatory work in connection with the Bridge River project which, when completed, will be the largest development in the province. Roads, camps and construction plant were proceeded with, and early in October a contract was awarded for the construction of the tunnel leading from Bridge River to the power station site on Seton Lake. This tunnel will be 13,200 feet in length and 12 feet in diameter. Camps have been installed by the contractor at both portals and excavation work is under way. It is planned to have the initial installation of two 28,000 h.p. units completed by the end of 1930.

West Kootenay Adds 60,000 h.p.

The West Kootenay Power and Light Company actively carried forward the construction of its new 60,000 h.p. development on the Kootenay River at South Slocan. Excavation work is almost completed and concrete work well underway. It is expected that the plant will be completed towards the end of 1928.

The same company has plans under preparation and is seeking authority for the construction of a dam at the outlet of Kootenay Lake to effect a storage range of 6 feet on that lake. Such storage would increase the output of the company's three plants on the Kootenay River.

Make Survey of Power Sites

The Canadian Crown Willamette Co. made extensive investigations in connection with a proposed development of 70,000 h.p. on the Campbell River to supply power to a proposed pulp and paper mill at tide water near the mouth of the same river. The Canadian Forest Products have increased their activities in connection with the investigation of a power project of 60,000 h.p. on the Nimpkish River for the supply of a proposed pulp and paper mill at Beaver Cove.

The West-Canadian Hydro-Electric Corporation recently made an agreement to supply the city of Vernon with power from the Shuswap River for which surveys are being made and plans prepared.

Calgary Power Makes Extensions

While no additions were made during the year to the total water power installation in Alberta, the Calgary Power Company carried forward a considerable programme of extensions to its electric transmission system, receiving power from its two developments on the Bow River, near Seebe. Lines which had been built during 1926 to High River and Blackie were extended south to serve such towns as Nanton, Stavely, Claresholm, Granum, Vulcan, Champion, Carmangay, Coaldale, Taber and Magrath. Arrangements have also been made with the City of Lethbridge to include that city in the system.

In connection with the supply of power in the Crow's Nest coal mining district of Alberta and British Columbia it is interesting to record the construction of a 13,000 k.v.a. steam power station at Sentinel, Alberta, by the East Kootenay Power Company, Ltd. This station is auxiliary to the company's two hydro-electric stations on the Bull and Elk Rivers in British Columbia.

Increase Manitoba Power Plant

Manitoba's power resources were increased 28,000 h.p. by the addition of unit number four in the Great Falls plant of the Manitoba Power Company on the Winnipeg River. The company also completed the construction of a new transmission line 70 miles in length from Great Falls to Winnipeg and a second line 42 miles in length from Great Falls to the Central Manitoba Mines. The power station superstructure at Great Falls was extended to include units 4, 5 and 6 and the company has announced its intention of proceeding with the installation of the final units 5 and 6, which are to be of 40,000 h.p. each.

The increase of 26,320 h.p. to the total water power installation in Ontario was accounted for chiefly by the Sturgeon Falls and Moose Lake developments of the Ontario and Minnesota Power Company on the Seine River in the western part of the province. The Sturgeon Falls plant, situated 58 miles east of Fort Frances, has an installation of 10,000 h.p., while the Moose Lake development, 104 miles from Fort Frances, has 14,420 h.p. A transmission line delivers electric energy from these two plants to the pulp and paper mills at Fort Frances. A third plant situated at Calm Lake on the same river between the two already mentioned, is nearing completion and is expected to go into operation early in 1928. This development will have an installed capacity of 13,000 h.p.

Anothing installation added during the year was 1,500 h.p. by the Gananoque Electric Light and Water Supply Company at its Kingston Mills plant on the Cataraqui River, near Kingston, a development of 325 h.p. by the town of Smiths Falls on the Rideau River, in connection with the municipal water works.

Paper and Mining Plants

On the Mattagami River in Northern Ontario the Spruce Falls Power and Paper Company made rapid progress on its development at Smoky Falls. The initial installation of 56,250 h.p. is expected to be ready for operation by August, 1928, when power will be transmitted to the company's pulp and paper mills at Kapuskasing.

The International Nickel Company of Canada, Limited, is initiating the development of 28,200 h.p. at its Big Eddy dam on the Spanish River, which was built several years ago for the purpose of creating storage. Actual construction work will start about March, 1928, and it is expected to have the plant in operation some time in the spring of 1929.

On the Montreal River at Indian Chutes, the Great Northern Power Corporation replaced a rockfill dam by a concrete dam in connection with its power development and on the same river at High Falls a concrete dam was built to replace a timber structure utilized to impound storage.

Gatineau Power is Big Actor

New plants and extensions to existing plants actually placed in operation during 1927, added 149,280 h.p. to Quebec's hydro-electric installation; this additional capacity being mainly found in the two new plants on the Gatineau River.

These new plants of the Gatineau Power Company may be considered as the outstanding achievement of the year. The Chelsea development commenced operation in January with a 34,000 h.p. unit which was in place in December, 1926, and had been credited to the installation for that year. Two further units of similar capacity were brought into operation later in the year, bringing the total to 102,000 h.p. Provision remains for two further units which will give the plant a total capacity of 170,000 h.p. At the Farmers Rapids development three 24,000 h.p. units were brought into operation, totalling 72,000 h.p., while as at the Chelsea plant, provision has been made for the addition of two further units, which will give the plant an ultimate capacity of 120,000 h.p. The power generated at these two plants is at present going to supply the needs of the Canadian International Paper Company's mill at Gatineau, where four 125-ton per day paper machines were placed in operation during the year.

About twenty-seven miles above Chelsea the Gatineau Power Company vigorously carried forward the construction of a third plant at Paugan Falls. Here six units each of 34,000 h.p. capacity are being installed and are expected to be ready for operation in September, 1928. This power is designed to supply in part the contract the company has with the Ontario Hydro-Electric Power Commission and a transmission line is under construction from Paugan Falls to the Ottawa River, at Fitzroy Harbor, where it will connect with the line the Commission is constructing and which has been mentioned in the Ontario section of this review.

A fourth plant at Nigger Rapids, on the same river, a short distance below Maniwaki, is contemplated for future development by the company when load conditions warrant.

For the benefit of all these plants the Mercier dam, operating a very extensive storage reservoir of 95 billion cubic feet on the Gatineau, was also completed and filled early in the year under the direction of the Quebec Streams Commission.

During the year, the Gatineau Power Company also acquired the plants and systems of the Ottawa-Montreal Power Company and of the Quebec Southern Power Corporation, completing the enlargement of the latter's Rawdon plant on the Oureau River from 300 h.p to 2,150 h.p. The company has also in view a number of moderate sized developments north of Montreal and in Western Quebec, such as on the Petite Nation and North Rivers.

Shawinigan Does Some Work

The Shawinigan Water and Power Company placed in operation a plant of 4,000 h.p. at St. Alban on the Ste. Anne-de-la-Perade River, replacing a former plant damaged by floods. This company has also started work in connection with the installation of an additional 40,000 h.p. unit in its number two plant at Shawinigan Falls.

The same company carried out a most notable achievement in the completion of a 165,000 volt transmission line, 136 miles in length, through an almost entirely uninhabited territory, to bring power from the Isle Maligne station of the Duke-Price Power Company on the Saguenay River to the City of Quebec. This line, which at present is the highest voltage line in operation in Canada, is designed to carry over 100,000 h.p. for the supply of large pulp and paper mills recently erected in the vicinity of Quebec.

On the Saguenay River, at Chute-a-Caron, the Alooa Power Company is actively pressing the development of a plant which will have an ultimate capacity of 800,000 h.p., while the Duke-Price Power Company has still two units to install in its Isle Maligne station to bring it to its ultimate designed capacity of 540,000 h.p. One of these units will be installed during 1928.

Another installation placed in operation during 1927 was the addition of a 2,000 h.p. unit at the Pont Rouge plant of the Donnacona Paper Company on the Jacques Cartier River.

More Projects to Come

Among projects or extensions under active construction may be mentioned a 65,000 h.p. development by the Montreal Island Power Company on des Prairies River, near Montreal; the addition of two 10,000 h.p. units to the Canada Northern Power Company's plant on Quinze River, to be ready July, 1928; and a 300 h.p. plant by the Cie d'Enterprises Publiques, near Riviere a Piere, Quebec., on the river of the same name. It may also be noted that construction on the Ontario Paper Company's 40,000 h.p. plant, near the mouth of the Outardes River, was well advanced during the first part of the year. Contract has been let by the Ottawa River Power Company authorizing the addition of a 25,000 h.p. unit to its development near Bryson on the Ottawa River. Among other developments being considered for the near future are a 2,000 h.p. plant on La Sarre River in Abitibi county and series of four developments, with heads ranging from 92 to 125 feet, on the Etchemin River, near Levis.

Another Inter. Paper Plant

On the St. John River, at Grand Falls, the Saint John River Power Company, a subsidiary of the Canadian International Paper Company, actively pressed the construction of its development, which is designed to have a capacity of 80,000 h.p. in four units of 20,000 h.p., each operating under a head of 130 feet. At the end of the year the dam, power station, tunnel, intake and penstocks were practically completed. It is expected one unit will be in operation by July, 1928, after which the others will follow as required.

The output will be used principally in newsprint mills to be erected by the New Brunswick International Paper Company and the pulp and paper mills of the Fraser Companies, Limited. The latter company has completed surveys for a transmission line to carry about 5,000 h.p. from Grand Falls to Edmunston.

The Bathurst Company, Limited, after a thorough investigation of the Nipisiguit River in 1926, established that the total power available from the five sites on the river, including the Great Falls site now developed, was in the vicinity of 40,000 continuous h. p. Of the undeveloped sites, the company has now under active consideration the development of the one known as Rough Waters, near the mouth of the river, where an installation of from 8,000 to 10,000 h.p. may be made. The power would be used principally in the company's paper mill at Bathurst.

Investigate Tidal Power

Two tidal power projects are under investigation on the Bay of Fundy, the first at Passamaquoddy Bay by the Dexter P. Cooper Company, and the second at the estuaries of the Petitcodiac and Memramcook Rivers, by the Petitcodiac Tidal Power Company.

A Nova Scotia installation during the year was an addition of 315 h.p. to the plant of Bridgetown Electric Light Company on Bloody Brook, together with other improvements and additions to the company's transmission lines, involving an extension of 21 miles from Round Hill to Deep Brook. It is planned to further extend the line to Bear River to connect with the company's small hydro plant on the west branch of that river.

Avon River Power Builds

The Avon River Power Company has under construction a second hydro-electric plant on the Avon River at Avon River Falls. An installation of 4,350 h.p. is being made and is expected to be completed about midsummer of 1928. The transmission lines of the company were also extended during the year to Walton on the Minas Basin shore between Windsor and Truro.

Work is also under way in connection with the diversion of water from the west branch of the Avon River into the Gaspereau River for the benefit of the White Rock hydro-electric development of the Gaspereau River Light, Heat and Power Company on that river.

In Prince Edward Island the Montague Electric Company, Limited, completed a development on the south branch of the Montague River about two miles above its mouth and about three miles from the town of Montague. The installation consists of a pair of horizontal twin turbines with a combined capacity of 160 h.p. under a head of 30 feet.

Winnipeg Electric Has Many Rumors

From Our Own Correspondent

MONTREAL.—All kinds of rumors regarding a split of the shares of the Winnipeg Electric Company have been in circulation, but The Financial Post learns from an authoritative source that the management is not contemplating such action in the near future. Those who say the common shares of the company will sell higher due to the imminence of a split in the stock are shooting very wide of the mark in their prognostications.

Those who feel that the shares have yet to reach higher levels because the company paid $3 a share last year and may pay $4 a share this year appear to be much more nearly correct in their sizing up of the situation surrounding the shares of the company.

Western Flour Common Stock Rises in Value

Improved position of the milling industry accounts for the rise in the market value of the common stock of Western Canada Flour Mills. There is no deal of any sort pending, so far as can be learned.

The company, in the fiscal year ended August 31st last, showed earnings of $388,797, which was the highest figure achieved since 1920, when $414,724 was shown. In 1918, the earnings were $543,844. The earnings on the common in 1927 were $2.62 per share.

The prevailing price of the common compares with a low of 22 for 1927 and a low of 18 and a high of 25 in 1926.

D. B. Hanna, president of the company, has expressed himself as optimistic for the coming year, but apparently is not convinced that the recent sharp advance in the market price of the stock is justified.

It is reported that Eastern interests are making plans for the erection of a large smelter at Fort William, involving $3,000,000.

During the year 1927, hydro-power equipment was installed in Canada ready for operation to the extent of more than 221,000 h.p.

Books You Will Want For Yourself and Staff

Looking Forward	In the series of articles which appeared recently in the Financial Post, Mr. Ralph Geddes makes available the observations of an expert and gives help to the average individual to avoid errors and pitfalls in the disposal of his or her estate.
The Investment Trust and Its Place in Canada	A review of this interesting type of investment now growing up in Canada, with a short outline of similar trusts in Britain and United States. Written by Mr. Mackenzie Williams.
Canadian Income Tax Problems	Articles by an expert. Interpretations of the Income Tax Act that materially affect the individual taxpayer and mean dollars one way or another to him.
THE C.P.R.	The financial history of this great company, told in easy, readable style. An accurate informative analysis of present position and prospects of the Canadian Pacific Railway.

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Name . . . .

Address . . . .

St. Maurice Power Co. is Being Taken Over by Shawinigan Water

Subsidiary is Given $175 Per Share, or Alternative presentation

FORMALITY OFFER

Acquisition Was Anticipated and Surprise is Expressed That Merger Was Not Sooner

From Our Own Correspondent

MONTREAL. — The Shawinigan Water and Power is acquiring its subsidiary, the St. Maurice Power Company. The shareholders of the subsidiary are being offered $175 per share, or two shares of Shawinigan's no par value stock. The cash offer is in the nature of a formality as two shares of Shawinigan have a market value in excess of $175.

Shawinigan is to purchase its subsidiary lock, stock and barrel—in the meantime the offer of exchange has been made. The offer to purchase the property is to be confirmed shortly at a meeting of the shareholders of St. Maurice Power.

The acquisition of this subsidiary by the parent company has long been anticipated. To most observers it was a surprise that the merger did not come sooner. By the deal, the International Paper Company will become holder of a large block of Shawinigan's shares. The paper company owned power rights on the St. Maurice River which at the time of the formation of the St. Maurice Power it exchanged for common stock in the undertaking. The transaction leads to the belief that similar action may be taken soon by Shawinigan in regard to its other large subsidiary, the Quebec Power Company.

The St. Maurice Power has 72,000 shares of no par value outstanding. So the deal will involve the issuance of some 144,000 shares of Shawinigan stock. In these figures no allowance has been made for the fact that the parent company already holds well over 36,000 shares of St. Maurice.

To finance the St. Maurice Power development in 1923, the company issued $9,000,000 in bonds and £200,000 in debentures. Both issues bear interest at 6½ per cent. The Shawinigan Water and Power can now borrow on a 5 per cent. basis. Thus it seems almost certain that the St. Maurice bonds will be redeemed shortly. The issue is callable at 107½.

If refinancing be carried out and it appears to be almost certain to be effected, Shawinigan would lose about $750,000 on paying the call price, but would make annual savings of around $150,000 in interest charges. Up to the end of this month the bonds are callable at 110, but after February 1 the redemption price is 107½ for the next eleven years. Hence the moment appears to be the strategic time for calling the issue.

Dominion Bridge Works to Capacity

From Our Own Correspondent

MONTREAL.—The Dominion Bridge Company is working at capacity. At the main shop, where practically all the structural fabricated steel is produced, two shifts are being adopted. This will mean that work will be turned out day and night. This is the highest rate of operation in a number of years.

The company has not yet benefited to the full from the large construction activities taking place in the Dominion. Dominion Bridge's largest job, the Montreal South Shore Bridge is far from complete and large profits will accrue to the company when it is fully erected. In Montreal, there are such large jobs as the Sun Life and the Bell Telephone Company. In Toronto, there are several large buildings under way or in immediate prospect. In Calgary there is a new T. Eaton Company building and finally there is the new bridge at Vancouver.

Under its new dividend rate, the Dominion Engineering Works annually provides the parent company with a sum in dividends amounting to 60 cents per share on the Dominion Bridge Company's stock.

BALANCE SHEET OF THE

TORONTO MORTGAGE COMPANY

For the Year Ending 31st December, 1927

ASSETS

Office Premises in Toronto Street, unencumbered			$ 45,000.00
Real Estate held for sale			None
Mortgages at face value, less provision for possible depreciation—			
Principal		$2,705,590.30	
Interest due		2,741.39	2,708,331.69
Loans on Stocks and Bonds			750.00
Securities of the Dominion of Canada and its Provinces		375,963.97	
Securities guaranteed by the Dominion of Canada or by its Provinces		89,737.92	
Debentures of Canadian Municipalities		264,475.92	
Other Bonds and Debentures		63,221.78	793,399.59
Stocks fully paid up			92,200.00
Cash in Chartered Banks			40,318.79
Cash in Office			1,347.65
Total			$3,681,330.12

LIABILITIES

To the Public			
Debentures Sterling		$1,542,496.68	
Accrued Interest thereon		13,018.00	
Debentures Currency		354,267.65	
Accrued Interest thereon		6,692.03	
Deposits, Savings Accounts		104,941.98	
Reserved for accrued Income Taxes		10,465.17	$2,031,881.51
To the Shareholders			
Capital Stock subscribed	$724,550.00		
Capital Stock fully paid		724,550.00	
Reserve Fund	800,000.00		
Added in 1927	50,000.00	850,000.00	
Unclaimed Dividends		79.25	
Dividend and Bonus, declared and unpaid, due 1st January, 1928		25,350.25	
Profit and Loss Account—Balance carried forward		49,469.11	1,649,448.61
Total			$3,681,330.12

PROFIT AND LOSS ACCOUNT

Dr.	
Interest on Sterling Debentures paid and accrued	$ 77,314.32
Interest on Currency Debentures paid and accrued	16,092.09
Interest on Deposits	2,912.12
Charges on moneys borrowed and lent	11,980.37
Cost of Management, viz.—Salaries, Directors' and Auditors' Fees, Office Rent, etc.	25,618.50
Dominion, Provincial and Municipal Taxes	9,417.89
Dividends on Capital Stock at 10 per cent.	72,455.00
Bonus for the year of 1 per cent.	7,245.50
Toronto General Hospital, Building Fund Subscription	1,000.00
Transferred to Reserve Fund	50,000.00
Balance carried forward	49,469.11
Total	$323,512.90
Cr.	
Balance brought forward	$ 67,632.24
Interest on Investments, net rental from Office Premises, etc.	255,881.66
Total	$323,512.90

W. GILLESPIE, Manager THOS. H. WOOD, President

We have audited the Books and Accounts of the Toronto Mortgage Company for the year ending 31st December, 1927, and have verified the cash, bank balances, and Securities of the Company. After due consideration, we have formed an independent opinion as to the position of the Company. In our opinion, so formed, and according to the best of our information and the explanations given to us, we certify that, with the reservations provided, the above statements set forth fairly and truly the state of the affairs of the Company and are in accordance with its books. All transactions of the Company that have come within our notice have been within the powers of the Company.

Toronto, 11th January, 1928.

E. R. C. CLARKSON, F.C.A. }
A. J. HARDY } Auditors

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA

Reports Another Notable Year:

1. SURPLUS EARNINGS $4,501,387	The earnings surpassed those of the previous year by $360,000 and amount to $50.45 per $1,000 of assets.
2. NEW BUSINESS WRITTEN $52,250,136	The new paid-for business exceeded that of the previous year by more than $2,684,000.
3. ASSURANCES in FORCE $386,669,481	Representing an increase for the year of $32,600,000. It should be noted that the activities of this Company are confined exclusively to Canada and Newfoundland.
4. TOTAL ASSETS $89,233,343	Assets represent the book value of the Company's securities (entirely Canadian) and would appear substantially larger if existing market values were used. The increase for the year is $8,600,000.
5. DIVIDENDS PAID POLICYHOLDERS $3,646,105	An increase of more than $550,000 over the previous year.
6. SURPLUS FUNDS and SPECIAL INVESTMENT RESERVES $11,829,283	Insuring the continuance of liberal dividend distribution.
7. EXPENSE RATIO 14.44%	Again the expense ratio has been materially reduced.
8. RATE of INTEREST EARNED 6.46%	New investments made during the year exceeded $12,000,000 and, notwithstanding steadily declining interest rates, the average rate of the previous year was almost maintained.

Strictly Canadian—Strictly Mutual

Operating exclusively in Canada and Newfoundland

Established 1869

	Assets	*Assurances in Force*	*Payments to Policyholders*	*Surplus Earnings*
1907	$11,656,410	$51,091,848	$680,220.30	$381,146
1917	32,165,431	123,511,314	2,513,991.23	1,007,730
1927	89,233,343	386,669,481	8,279,514.19	4,501,387

The Annual Meeting of the policyholders will be held on Thursday, February 2nd, at the Head Office, Waterloo, Ont.

HUME CRONYN, *President*
R. O. McCULLOCH, *1st Vice-President*
C. M. BOWMAN, *Chairman of the Board*
W. H. SOMERVILLE, *General Manager*

DOMINION BANK SETS NEW RECORD WITH ITS PROFITS

Assets Reach Total of $141,000,000 During 1927

Profits of Dominion Bank for the year 1927 set a new high record and totalled $1,328,000, which was $70,000 more than in 1926.

After paying the usual dividends and bonus amounting to $780,000, contributing $45,000 to the officers' pension fund, providing $165,500 for Dominion and provincial taxation, $250,000 was written off bank premises account, compared with $200,000 in 1926, and $100,000 in 1925.

From accumulated earnings in profit and loss account, $1,000,000 has been transferred to the reserve fund and $120,000 carried forward in profit and loss account.

Comparative earnings figures follow:

Income and Surplus Account, Years Ending Dec. 31

	1927	1926	1925
Profits	$1,328,496	$1,259,276	$1,156,840
Pension	45,000	45,000	45,000
Gov. taxes	165,527	166,000	167,667
Premises	250,000	200,000	100,000
	460,527	411,000	312,667
	867,969	848,276	844,173
Dividends	720,000	720,000	720,000
Bonus	60,000	60,000	60,000
Reserves	1,000,000	......	......
	*912,031	68,276	64,173
Prev. bal.	1,032,255	964,297	900,124
P. & L. bal.	120,524	1,032,573	964,297

* Deficit.

The capital figures of the bank now stand: capital $6,000,000; reserve fund $8,000,000, or 133 per cent. of the capital.

Deposits Are $10,000,000 Higher

Deposits of nearly $109,000,000 show an increase of $10,000,000 during the year. Deposits bearing interest increased $7,000,000 and now stand at the highest point in the bank's history.

Current loans, $60,600,000, show an expansion of $3,000,000. Call loans in Canada and abroad, $21,500,000, have incerased over $9,000,000.

The bank's very strong liquid position has not only been maintained but strengthened.

Total assets have increased $14,000,000.

Summary of Balance Sheet
Immediately Available Liquid Assets

Assets—	1927 $	1926 $		Change $
Specie	2,167,599	2,126,813	+	40,786
Dom. notes	9,655,062	9,161,472	+	493,590
Note ch. d.	314,650	314,650		......
Call L. ab.	5,886,431	3,429,154	+	2,457,277
Bk. bal.	3,479,982	2,806,710	+	673,272
Cheques	8,046,539	7,998,834	+	47,705
Gov. sec.	14,970,048	15,378,394	—	408,346
Gold res.	1,900,000	1,500,000	+	400,000
Notes, Bk.	1,251,590	886,300	+	365,290
For. curr.	151,313	121,030	+	30,283
	47,823,214	43,723,357	+	4,099,857
% t. assets	33.7	34.4	—	.7
% t. liab. to p.	37.6	38.6	—	1.0
Other Assets				
Pub. sec.	4,313,374	4,808,942	—	495,568
Other sec.	2,266,311	2,751,928	—	485,617
Call loans	15,688,105	9,044,765	+	6,643,340
Current	59,235,617	56,731,594	+	2,504,023
Elsewhere	1,428,766	1,000,256	+	428,510
Non. curr.	181,569	267,871	—	86,302
Premises	5,531,631	5,724,241	—	192,610
L. of cred.	4,740,097	3,397,022	+	1,343,075
Mtges.	81,297	88,890	—	7,593
Real est.	35,545	36,754	—	1,209
Other assts.	207,227	255,238	—	48,011
	93,659,539	84,057,501	+	9,602,038
T. assets	141,482,753	127,780,858	+	13,701,895
Liabilities to the Public				
Liabilities—				
Circ.	7,844,817	7,455,572	+	389,245
Dom. dep.	21,857,657	19,070,349	+	2,787,308
Savings	86,899,263	79,790,232	+	7,109,031
Due banks	2,199,988	1,738,098	+	461,890
Due else.	2,924,818	1,261,229	+	1,663,589
L. of cred.	4,740,097	3,397,022	+	1,343,075
Bills pay.	17,568	104,652	—	87,084
Other liab.	635,915	690,612	—	54,697
	127,120,123	113,507,766	+	13,612,357
Liabilities to Shareholders				
Capital	6,000,000	6,000,000		......
Reserve	8,000,000	7,000,000	+	1,000,000
Dividends	242,106	240,537	+	1,569
Balance	120,524	1,032,555	—	912,031
	14,362,630	14,278,092	+	89,538
T. liabs.	141,482,753	127,780,858	+	13,701,895

Alberta Coal Shipments Exceed Six Million Mark

During Past Year, 313 Mines Were in Operation in Different Coal-producing Areas of Province and Over 9,000 Men Were Employed

Shipments of Alberta coal in 1927, according to official estimates, have exceeded the six million ton mark, and may have surpassed the record year of 1920, when 6,908,823 tons were produced, says the Manitoba Free Press. The coal production of the province, valued annually at about $20,000,000, has been greater than that of Nova Scotia ever since 1918, with the sole exception of one year, and western fuel now holds first place in the prairie market, is gaining a larger share of the Winnipeg consumption, where competition with American fuels grows serious, and is even extending into British Columbia, with the possibility of entering, even if only on a small scale, the large centre of Vancouver.

During the past year, 313 mines were in operation in the different coal-producing areas of the province, and more than 9,000 men were employed during the big autumn movement from the fields.

In spite of this growth, which seems at first glance to be a great achievement for an industry still only in its infancy, the present situation is one which causes great discontent, not only in official circles, but also among the general public. The difficulties are numerous, and the result has been a strong, well organized agitation for the extention of the Alberta coal market into the acute fuel area of Canada, which centres in Ontario. Strong pleas have been made before the government and the railway commission to this end, but the general public remain unaware of what the proposals being put forward involve. Men in close touch with the situation, however, express grave doubt as to the feasibility of ever placing Alberta fuels at the disposal of the Toronto and Ontario consumers, and these men look forward to a slower but surer growth in the Alberta operators' present stronghold, the prairies.

Agitation Continues

Meanwhile, however, the agitation for the extension of the market into eastern Canada goes on. The reasons for the discontent in the present situation are numerous. At present, work in the mines is extremely seasonal. The mines producing domestic fuel are practically closed down from March to September each year, while mines supplying steam coal are active at that season and quiet during the rest of the year. The result is a labor situation which grows ever more difficult to cope with. There is also the feeling that Canada, as a nation, should use her own fuels instead of importing American coal, importations of United States anthracite having amounted to $27,256,806 in 1926. There is also the impatience of government and operators alike at the apparent slowness in utilizing the tremendous deposits of coal which lie over a large part of Alberta's area.

Test Shipment Goes East

Test shipments of Alberta coal weer carried to Ontario at a freight cost of $7 per ton last year, and Alberta opinion is strong that the fuel gave every satisfaction, reports from Ontario largely confirming this belief. On the other hand, those who believe such shipments cannot at present be a permanent feature of Canadian economic life, suggest that the Ontario consumers cannot have come to any definite conclusion on the strength of a few tons of coal specially shipped, and that costs of Alberta coal over a longer period would make so adverse a comparison with the costs of fuel shipped from the American fields that the Ontario consumers would soon revert to the cheaper fuels from across the line.

On the other hand, there are those who suggest that actual fuel quality is a slighter consideration with the average householder than cleanliness, quick firing and ease of handling, and in these respects they claim the Alberta coal excells its competitors.

Freight Rate is Crux

Meanwhile discussion centres largely on freight rates. Last September the railway commission reported on the cost of shipping Alberta coal to Ontario as follows:

Out of pocket cost per ton ...	$7.22
Inclusive cost per ton	$10.07
Inclusive cost plus profit	$12.20

The first figure is bare hauling expenses; the other two include the share of maintenance, fixed charges, etc., which must be borne before a rate is called profitable.

The publication of these figures has brought a rejoinder from Premier Brownlee, at the recent provincial conference at Ottawa. He then stated that the railway commission erred in estimating the load factor in the cars below what it normally would be. He suggests that the "out of pocket cost" should be $6.75 instead of $7.22, adding that the figure in any case was reached on the basis of 100 per cent. empty haul west, which he does not admit, and also on the fact that it would cost as much to haul an empty car west as it would to haul a loaded car eastwards. No rejoiner to this brief has yet been made.

The Alberta premier also points out that Ontario buys its winter supply of coal during the summer months, just at the period when the Alberta mines are idle, and for this, and for national reasons, he strongly advocates a rate of $6.75.

Sceptics Stand Fast

All these facts, however, fail to shake the scepticism of those who believe that the movement eastwards of Alberta coal would be a fruitless experiment on economic grounds and might also have a bad effect on the market for Alberta coal by attempting the impossible, bringing results in unscrupulous representations regarding the western fuels which practice would show were not justified.

It is pointed out that up to the present Ontario householders have been largely anthracite consumers. The question turns on domestic fuel, since there is a fairly general admission that Alberta coal could not compete with American bituminous coal as an industrial fuel. Since Alberta cannot supply anthracite coal, it would mean the substitution of another fuel to take the anthracite's place. This would naturally open the problem of alternative supplies of other fuels from adjacent American fields.

Comparative Fuel Values

In this connection an interesting table appears in a Dominion government report on fuel values, which gives the relative values of a wide variety of fuels, the basis being ten tons of American anthracite equals 10. The table is:

U. S. anthracite	10.00
Welsh anthracite	8.89
Scotch anthracite	8.54
U. S. smokeless semi-bituminous No. 1	9.63
U. S. smokeless semi-bituminous No. 2	9.67
Alberta semi-bituminous ...	9.89
Alberta sub-bituminous No. 1	12.96
Alberta sub-bituminous No. 2	13.65
Alberta sub-bituminous No. 3	13.99
Alberta domestic No. 1	15.05
Alberta domestic No. 2	15.32
Alberta domestic No. 3	14.93
Alberta domestic No. 4	15.37
Alberta domestic No. 5	16.73

This table forces attention to two main facts. The first is that the loose term "Alberta coal" is one so vague as to have little meaning. All Alberta coals obviously could not be shipped to Ontario, since many of them, on the basis of their fuel quality and moisture content, could not stand up under the competition of other and better fuels. One other fact is that only one coal now being mined in Alberta, namely, the "Alberta semi-bituminous" from Canmore is equal, indeed superior, in fuel value to American anthracite. The question would then arise: Granted conditions favoring eastward shipments of western fuel, who would arbitrarily decide which coals should move and which should not?

Costs at Toronto

Unless a government subsidy is granted to assist the transportation of Alberta coal to the acute fuel area, it is probable that the rate that will be fixed will be the $10.07 figure called the "inclusive rate" by the railway commission.

On this basis the costs of various Alberta coals laid down in Toronto have been worked out, together with comparative costs of competitive fuels from American fields, the prices given being those of the spring of 1926, a period of fairly stable conditions in all fields and indicative of the comparative long run costs of the different coals. These work out as follows:

Coal Branch (Alberta)—	
Cost per ton	$5.50
Freight rate	10.07
	$15.57
Drumheller (Alberta)—	
Cost per ton	$3.80
Freight rate	10.07
	$13.87
Lethbridge (Alberta)—	
Cost per ton	$5.50
Freight rate	10.07
	$15.57
American Anthracite—	
Price at mine	$8.00
Rail rate	4.53
Handling	2.50
	$15.03
West Virginia Low Volatile—	
Price at mine	$2.50
Rail rate	2.06
Lake rate	1.00
Duty	.50
Handling	2.50
	$8.56
U. S. Bitiminous—	
Price at mine	$2.00
Other charges as in previous case	6.06
	$8.06
Pennsylvania Low Volatile—	
Price at mine	$3.00
Other charges	6.06
	$9.06
Nova Scotia (Sydney)—	
Price at mine	$4.50
Water rate	1.00
Handling	2.50
	$8.00

Would Seek Substitutes

Apart from the competition on American Anthracite, with its high fuel quality, these figures suggest great difficulty in meeting American and Nova Scotia competition. The two most serious competitors would be the West Virginia low volatile fuel, which appears in the fuel value table given above as "U. S. semi-bituminous," and Nova Scotia coal. Once the Ontario consumer stopped buying anthracite, he would be ready for another substitute, and it seems likely that the low volatile West Virginia could successfully oust Alberta coal from the eastern market.

Observers in Alberta further emphasize the fact that, if special terms in freight rates are to be granted Alberta coal, involving a burden which the federal or provincial treasurers would have to carry, the first duty is for the coal producers of Alberta to effect every internal economy possible in the organization of their production. Already the Alberta coal fields are going the way of all others in unsystematic opening of new mines and consequent costly operation, with aggravated seasonal labor troubles. The economies possible by organization and control in Alberta are estimated in some quarters to run as high as $1.00 a ton.

MIDLAND LOAN FINDS 1927 BEST YEAR IN HISTORY

Port Hope Company Earns 15½ Per Cent. on Capital

The year ended December 31, 1927, was the best in the history of Midland Loan & Savings Co., Port Hope, Ont., and, with a distribution of 10 per cent. to shareholders, the year of the largest dividends. The net profit was $56,075 on a capital of $360,000, which is 15.5 per cent., compared with a net profit, the previous year, of $53,427, or 14.8 per cent. on the capital. The dividend a year ago was 9 per cent.

The 55th annual report signed by the president, Thomas Wickett, and the manager, Walter J. Helm, shows an addition of $15,000 to reserve fund, which after dividends totaling $36,000, leaves $21,739 carried to profit and loss, compared with $16,664 the year previous. The total of the reserve fund is now $415,000, or $55,000 greater than the paid-up capital.

Debentures Increase

Debentures outstanding total $1,446,285 and deposits amount to $376,520, compared with $1,257,538 and $341,473 at the close of the previous year. The principal of mortgages is $2,129,532, compared with $1,927,434. The company has $130,971 in chartered banks and $7,535 cash on hand, which is virtually the same as a year ago. Total assets are $2,667,845.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$360,000	$39,676	11.0	8
1914	360,000	43,511	12.0	8
1915	360,000	44,836	12.4	8
1916	360,000	42,043	11.6	8
1917	360,000	41,300	11.5	8
1918	360,000	41,076	11.4	8
1919	360,000	43,606	12.1	8
1920	360,000	42,768	11.8	8+½
1921	360,000	50,247	13.9	8+1
1922	360,000	52,725	14.6	8+1½
1923	360,000	48,459	13.4	8+1
1924	360,000	52,920	14.6	8+1
1925	360,000	53,063	14.7	8+1
1926	360,000	53,427	14.8	8+1
1927	360,000	56,075	15.5	8+2

New Books

Frontenac And The Maid of Mist

When a distinguished speaker remarked the other day that Canada has a history as rich in romance and interest as that of Britain, he spoke no idle word. Those who have got beyond the public school history stage of Canada's story and have read the memoirs of and diaries of Canadians of different eras in this country's history will have found a wealth of colorful story. Canada's history has provided inspiration for some historical novels but the field has never been crowded. An American, Launcelot Cressy Servos, has just written an historical novel which is written around the legend of the Maid of the Mist and introducing Frontenac. Many of the scenes are laid in old Quebec. A Canadian publisher has brought out the book.

Mr. Servos' book is interesting and moderately well written. It would be a much better thing if more time had been put on it. The construction of the plot is not of the best and the writing lacks vigorous, well-sustained style. An attempt has been made to produce a good-looking work, with well selected type and wide margins, but the effect is spoiled by numerous typographical errors including some that are inexcusable in a book of this character.

With these minor criticisms off our mind we can hasten to add that the novel makes up in educational and historical interest for what it may lack in story telling. It is a tale of the late 1600's. The Iroquois believed that the Great Manitou dwelt in the waters of the mighty Niagara and from the great rainbow which at times hangs dependent over the falls, shot arrows into the clouds and brought down the rain to water their corn. To insure this rainfall the Indians every year sacrificed the most beautiful of their maidens over the cataract.

Picking up such a colorful thread in the first chapter, the author pursues it to the finish without losing much of the inherent romance of the subject.

Frontenac and the Maid of the Mist is published by Hal de Gruchy Company, Toronto, at $2.

How to Understand Accounting

Accounting is one of the tools of modern business, says Howard C. Greer, in the first sentence of this new and simplified book on accounting. Every business man wants to know how the tool is used even if he may not become expert at it. This is a book for everyone in business; not a technical book for the accountant himself, but a book that tells the business man the minimum he should know about accounting as applied to his own business. While admirably summarized, the book seems to be quite complete, and brings the subject matter up to date.

The writer of the book is a professor of accounting at a large university. "How to Understand Accounting," is published by the Ronald Press Company, New York, at $3.

CAN. MORTGAGE REPORTS ADVANCE IN NET EARNINGS

Annual Report Shows Great Growth in Total Assets

The annual report of the Canada Permanent Mortgage Corp. for 1927 shows a great growth in total assets and a material increase in net profits. The latter for 1927 totalled $1,009,601, compared with $967,724 in 1926. Dividends of 12 per cent. on the capital stock of $7,000,000, leaves a balance carried forward to profit and loss of $392,131, including the $222,529 carried forward the previous year. The reserve fund of the corporation remains at $7,500,000, or $500,000 in excess of the capitalization. Total assets are $63,661,691, compared with $50,613,510 at the end of 1926.

Several changes of moment are discernible in the balance sheet, due to the acquisition of other companies at Brantford and Halifax, and for other reasons. Office premises are now valued at $1,001,874, as against $812,874 a year ago. Real estate held for sale shows a reduction, from $770,274 to $743,544. The total of mortgages held, with accrued interest, increased from $42,950,547 in 1926 to $53,469,445 in 1927. There is a reduction in the amount of bonds and stocks held but more than a compensating increase in the amount of cash on hand. This item a year ago was $1,860,897, but at the close of 1927 was $3,962,403.

On the liability side, there is no change in the amount of debenture stock outstanding, $850,771, and a slight reduction in the total of sterling debentures is noted, from $13,672, 620 to $13,397,720. On the other hand the total of currency debentures is up from $11,743,297 a year ago to $21,146,848 at the close of 1927. Deposits and accrued interest thereon, also show a remarkable increase, from $9,398,689 to $13,149,623.

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1913	$6,000,000	$884,626	14.7	10
1914	6,000,000	876,765	14.6	10
1915	6,000,000	872,105	14.5	10
1916	6,000,000	866,126	14.4	10
1917	6,000,000	852,325	14.2	10
1918	6,000,000	824,532	13.7	10
1919	6,000,000	827,984	13.8	10
1920	6,000,000	854,277	14.2	10
1921	7,000,000	896,366	*13.70	12
1922	7,000,000	903,019	12.90	12
1923	7,000,000	911,789	13.00	12
1924	7,000,000	922,683	13.17	12
1925	7,000,000	946,167	13.51	12
1926	7,000,000	967,724	13.81	12
1927	7,000,000	1,009,601	14.4	12

*$6,000,000 for the first six months and $7,000,000 for the second six months.

Montreal Mining Exchange Lists Hecla Consolidated

MONTREAL.—The stock of Hecla Consolidated Mines has been listed on the Montreal Mining Exchange. The company has an authorized capital of 5,000,000 shares of the par value of one dollar each, of which 2,500,000 are still in the treasury. Properties are situated in Northern Quebec in the townships of Rouyn, Boischatel and Dufresnoy. Head office is in Montreal.

Buyers Are Inquiring if City Dairy Common Can Keep Up Advance

One of the questions which many purchasers of common stocks are asking at present is whether or not there is a likelihood of City Dairy common continuing its career of advance that has been notable in the last decade and spectacular in the last year or eighteen months. Perhaps the best answer to the question is to quote the president of the company, S. J. Moore. He is conservative.

Mr. Moore said, at the end of the special general meeting of shareholders called to act on the proposal to split the common stock four for one, that in his opinion, preferred shareholders of the company, in their own interest, should buy the common stock. That is about as conclusive an opinion as reasonably could be expected from official sources.

There are available facts concerning City Dairy which probably were included among those considered by Mr. Moore when making his investment suggestion. It may be recalled that City Dairy profits have grown more rapidly than the territory in which the company operates its retail business. It is interesting to note, also, that the company, while deriving substantial dividends from wholly owned subsidiaries such as Dri-Milk Co., is stated to be making a profit on the sale of milk in Toronto.

The principal source of revenue is milk and dri-milk, while the greater margin or profit is in such luxuries as cream and ice-cream. The plants of the company and the efficient management are important factors in enabling the company to meet competition in every field, while a policy of serving new and temporarily thinly populated districts of Toronto and environs constantly increases the volume of business.

An offer to purchase the company at a valuation far in excess of value the dividends would indicate precipitated the action which resulted in the split in the shares, four for one, and the doubling of the dividends. It was intended to increase the dividend at the beginning of 1929, when a plan of building up reserves and writing down assets would have been achieved.

In the opinion of some who are fairly close to this company, the doubling of the dividend rate at this time will not hamper the company in its operations or impair the financial position in the slightest degree, although it will, of course, retard somewhat the financial programme which had been mapped.

DOME MINES PRODUCTION

An approximate statement of Dome earnings for the twelve months from Jan. 1 to Dec. 31, 1927, before making allowance for depreciation and depletion is as follows:

Number of tons milled, 543,300.

Total recovery ($7.421 per ton)		$4,031,744.08
Operating and general costs per ton $4.062	$2,207,136.93	
Estimated Dominion and U.S. taxes .	75,959.25	
		2,283,096.18
		$1,748,647.90
Miscellaneous earnings...		211,936.73
		$1,960,584.63

Automobile traffic over the Banff highway, between Banff and Calgary, both ways, in 1927 up to November 30th, totalled 51,406 cars.

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Authoritative information for mining investors. We specialize in the better class mining securities, and are in a position to advise our clients. Consultation is invited.
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C. St. Clair Parsons, B.Sc., A.I.M.M.
Consulting Mining Engineer

Salesman Extraordinary!

IT WOULD require fifty salesmen, working at high pressure for two weeks, to call on all the metal-working plants in Canada. If they had to cover also the pulp and paper mills and mines it would take more men and a longer time to do the trick.

Supposing these men received $40.00 per week salary and $30.00 per week expenses, it would require $7,000.00 for the two weeks.

And their work would be only half done because they would be unable to see many of their prospects.

You can Cover the Ground for

$50.00!

Canadian Machinery will guarantee to carry your sales message to every metal-working shop of importance, and to every mine and pulp and paper mill in Canada, and it will cost you less than $50.00 every two weeks.

Can you estimate the value of such a service to your salesmen in cutting down the time required to make each sale, or even each call? Your highest estimate would be too low.

We believe in salesmen—they are indispensable—but they are human and subject to human limitations, and they are calling on human beings who some times place further limitations on the salesmen who call to see them. The salesman's reception is, after all, an indication of the prestige enjoyed by the company he represents.

If you are seeking business in the great field of industry served by Canadian Machinery you will find it more easily and more economically if you advertise in this publication—the recognized medium of the field it has served for nearly twenty-five years.

Rates and particulars of the service we give our advertisers will be furnished upon application.

Canadian Machinery & Manufacturing News
153 University Avenue, Toronto 2, Canada

"Stop Me If You've Heard This One"

She came into the police station with a photograph in her hand.

"My husband has disappeared," she said. "This is his photo." And she handed Exhibit A to the inspector.

"I want him found at once," she added.

The inspector looked up from the photograph.

"Why?" he asked.

We have prepared a circular on
The Petroleum Industry
Which contains an analysis on
The International Petroleum Company, Ltd.
BONGARD & COMPANY
Members
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Associate Members
New York Curb Market
244 BAY STREET TORONTO 2
Telephone ELgin 5381

THE TORONTO GENERAL TRUSTS CORPORATION

NOTICE is hereby given that the Annual General Meeting of the Shareholders of the Toronto General Trusts Corporation will be held at its Head Office, at 253 Bay Street, in the City of Toronto, on

Wednesday, the 1st Day of February, 1928, at the Hour of 12 o'Clock Noon

to receive and consider the Annual Report and Financial Statements of the Corporation for the year ended the 31st day of December, 1927, to consider amendments to existing by-laws, to adopt, ratify and confirm by-law No. 3 of the Corporation, increasing the Capital Stock of the Corporation from Two Million Dollars ($2,000,000.00) to Three Million Dollars ($3,000,000.00), and for the issuing and allotment of same by the Directors, as in said by-law provided, and to elect Directors for the ensuing year, as well as for the transaction of such other business as may be brought before the Shareholders.

By Order of the Board of Directors,
W. G. WATSON,
General Manager.

Toronto, January 17th, 1928.

A New National Canadian Magazine for Women*

The New National
MAGAZINE for WOMEN

First Issue to be Dated MARCH 1928

Entirely feminine and distinctively Canadian, it will be a magazine of lively interest and of practical help to girls and women of all ages in all parts of the Dominion. Its mission will be to make happier homes and happier lives for Canadian women and their families. Home life, social life, business life—women's activities in every sphere will be dealt with by a thoroughly qualified staff of editors and contributors.

Subjects for Regular Discussion Will Include

- Wiser selection of foods
- More expert cooking
- More varied menus
- Care of the health
- Welfare of the family
- Aids to beauty
- Fashions
- Smart dressing
- Hints on entertaining
- Touches that make the home attractive
- The arrangement of furniture
- The decoration of the home
- Planning the new home

And all these topics will be handled from a distinctly *Canadian* viewpoint. Fashions and Patterns for women's and children's garments will be a feature of every issue.

Articles will be published about Canadian women who have won prominence in various fields of endeavor, such as business, law, medicine, politics, missions, domestic science, teaching, organizing, managing institutions, and so on.

Best for Women

Just as *MacLean's Magazine* has won for itself unquestioned leadership as the best general magazine published anywhere for every member of every Canadian family, so will the new national Canadian Women's Magazine win recognition quickly as one of the best women's magazines published anywhere for the girls and women of Canada.

The experience, the ability, and the resources of the MacLean Publishing Company, Limited, are behind the new Magazine for Women. The responsibility of this Company and its standing in the publishing world are your guarantee that the Magazine will measure up to your highest expectations and that in every detail the undertaking will be carried out exactly as announced.

Phone or Write for Us to Call.

A Bargain Buy in Advertising

THE customary rate for advertising space in Women's Magazines of similar circulation in this Country has been One Cent per line per thousand. Forty cents a line for 40,000 circulation, fifty cents for 50,000 and sixty cents for 60,000.

While the guarantee from the first issue of the new magazine for Women is 30,000 net paid A.B.C. average or rebate, the actual distribution will be 60,000 copies; and practically every one of the 60,000 copies will go to a first-class Canadian home and will be read by the girls and women of every home that it enters.

Advertisers who use space in the first issue will have the privilege of contracting for space for one full year at the low thirty cent rate.

First Issue: March 1928. Will close February 10th.

Space should be Reserved Right Now!

THE MACLEAN PUBLISHING COMPANY, LIMITED
143 University Avenue Toronto, Canada

**Prize Winning Name will be Announced in First Issue.*

Bidgood is Driving Ahead; Mine Now Looking Very Good

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Boston Creek Area Active; Details on Adjoining Pages

Except Share Overbooming Nothing Seems to be Wrong With Bidgood Mine Workings

In Some Sections of Property Ore Values Are Sensational

RUMORS UNFOUNDED

Few Sections Picked at Random Give Some Idea of Values of Ore

The break in Bidgood shares has provided many speculators with a heart-ache which is becoming more aggravated daily.

What's the matter with Bidgood? This has been and still is the question of the day.

The writer visited the property recently and was accorded the privilege of a complete examination underground, the third, fourth and sixth levels as well as an opportunity to study the plans and assay sheets.

Nothing Wrong

The conclusion is that there is nothing wrong with the mine. An aggressive, intelligent mining operation is being carried on. It is one that requires patience and study.

Meanwhile the stock has been tumbling. At the time of writing, it is hovering around 90. This compares with a high of $1.83 on Dec. 5.

Everything indicates that the speculators who are holding the shares are suffering from an over-booming of the shares.

When the hectic market was on, one of the officials of the company made the statement that buying the stock at that level was anticipating the future considerably, he thought. He did not attempt to put a price on the stock as he remarked that at any moment something might be encountered on the property that would change the whole picture.

The writer's conclusion is that the statements which were officially made by the company, over the signature of W. B. McPherson, secretary, were conservative, but it is evident that many things were read into them during the boom. Margin traders have been caught in an over-extended position, and this has helped the selling. It is rather a coincidence that despite the large volume of trading in the shares, the number of transfers have been very few of late.

Savors of Manipulation

The whole market in Bidgood savors of manipulation. When the market was on the upturn, there were all kinds of optimistic rumors going the rounds about developments. Immediately the turn in the market came, adverse reports of all kinds, the great bulk of them being foolish and incredible, started circulation. These involved the mine, the management, in fact nothing was overlooked that might help to discourage holders of the shares. The writer heard many of these rumors and on inquiry at the property, found but one that had any semblance of fact, and it was grossly exaggerated. It had to do with flooding of the sixth level. The rumor said that the shaft timbers had broken down and that the shaft was flooded. The fact is that they drain the fourth level to the sixth and pump from there. Unfortunately there is no sump in the shaft to take care of the water so that for a short time each morning, the sec-

(Continued on page 23)

Consolidation is Suggested for Three Mining Properties

Shortly after Lake Shore, Wright Hargreaves, Tough Oakes and Kirkland Lake Gold came into production, and before Teck Hughes had realized that ambition, an effort was made to consolidate all these properties into one mine.

Pres. N. A. Timmins, Hollinger Consolidated, commissioned a well known engineer to arrange such an amalgamation, if it were possible.

The move was started a couple of years too late.

Visiting the Bidgood section of Kirkland Lake Camp, one was impressed with the great desirability of having Bidgood, Cambro and Lebel Oro as one operation. It seems a shame that there should be three companies to divide among them the promising Mud Lake section which has been regarded for years as an area that contained many good things.

The time to make such a move is the present. It would bring about many economies and make one attractive large operation.

The Pas is Having Prosperous Times in Big Mines Boom

History of Rouyn is Expected to Repeat Itself

NEW FIND IS MADE

Strike is Copper-zinc Proposition—Interested Parties Have Gone in by Aeroplane

WINNIPEG.—The Pas, Northern Manitoba gateway to the big mines, is enjoying its palmy days in spite of the low temperatures for which it is noted. Sleeping space is at a premium. Prospectors are swarming in and out—optioning claims—buying supplies—and spreading rumors. Allowing for a pardonable amount of exaggeration and super-optimism it is certain that so much money will be poured into Northern Manitoba that many good properties are going to be discovered. The history of Rouyn will repeat itself. The country has definitely emerged from the long era of post-war depression.

The company operating the Flin Flon mine is to be known as the Hudson Bay Mining and Smelting Co., and will probably have a Dominion charter. An issue of stock may be made in the near future. It is reported that a flotation unit, a copper smelter and an electrolytic zinc plant will be built. The ore is to be treated first in the flotation unit, which will have a capacity of 3,000 tons per day, and will produce a copper concentrate and a zinc concentrate. The copper concentrate will be smelted in reverberatory furnaces, converted to blister copper and shipped as such for refining. The zinc concentrate will be treated in the electrolytic plant.

Sherritt-Gordon

Sherritt-Gordon Mines, Ltd., has been incorporated in the province of Ontario with an authorized capital of 6,000,000 shares of $1.00 par value, of which 4,000,000 have been issued. A large order of machinery which includes three Diesel-driven compressors, three hoists and seven and a half tons of steel, is now being freighted in by the Ross Navigation Company. It is said that the winter's program calls for the sinking of two shafts, 3,000 feet apart.

The Baker-Patton property, which is situated eleven miles north of the Flin Flon, is to receive further attention this winter at the hands of the recently incorporated Gallinan-Flin Flon Mines, Ltd. The group was diamond drilled last winter, but little publicity has been given the results.

The silver strike at Partridge Lake is creating a considerable stir. The original discovery was made on the edge of the lake which is now known as Mystery Lake. Good values in silver, lead and zinc are said to be indicated. It is probable that draining of the lake will be advisable in order to make a thorough examination. J. P. Gordon, of Sherritt-Gordon fame has taken an option on a property there and is attempting to interest Eastern capital.

New Discovery

A new discovery has been made at Reindeer Lake, 200 miles north of The Pas, and near the Saskatchewan boundary. Very little is known about the strike except that it is a copper-zinc proposition. A number of interested parties have gone in by aeroplane.

Approximately 500 men are now hard at work on the branch line to the Flin Flon. All of the material for the road will be on the spot before spring and much of the grading will be completed.

Negotiations are under way between the Manitoba Government Telephones and the town council of The Pas with a view to having the provincial government take over the town's system and extend telephone service from Winnipeg to The Pas.

Mining in Manitoba Has Good Future

Premier John Bracken, of Manitoba, speaking before members of the Winnipeg Board of Trade, dealt particularly with the mining development in Northern Manitoba that will result from activity on Flin Flon. He gave figures to show what a great resource minerals were.

"The annual output of the smelter at Trail, B.C., is valued at $32,000,000," he said, "and this is as much as the wheat crop of Manitoba was worth in 1927, and that wheat crop was exceptionally large.

MACASSA POSITION STRONG; COMPANY RESUMING WORK

Shareholders Will Meet at Kirkland Lake to Give Approval of Plans

Cash on hand amounting to $203,271.59 is shown by the balance sheet of Macassa Mines as at Dec. 31 last. Mining properties were taken in at $2,122,482.46, exploration and development at $126,826.40, and other assets at $16,088.95. Accounts payable totalled $644.01. Altogether, 3,175,000 shares were outstanding, which at par value, less discount of $704,495.50, were valued at $2,470,504.50.

A decision to resume operations forthwith was announced in the report of Robert A. Bryce, managing director. Already they had secured a substantial amount of funds with this end in view, and when the terms and conditions of an underwriting agreement now in force were complied with this would be greatly augmented.

Up until the time the property was closed down last June the mine development carried out underground, mainly on the 500-foot level, had proved the main break to extend over 1,000 feet west of Kirkland Lake Gold Mines, Mr. Bryce continued, and was continuing when the work stopped. At this level the vein or break was in lamprophyre and sediments. The present intention was to sink the shaft deeper. The workings were to be pumped out immediately and the equipment put in order.

The annual meeting is to be held in Kirkland Lake on Jan. 25, and a special meeting will be held the same day to authorize a by-law to allow the shares to be sold at as low as 25c. It is pointed out that in the present financing no stock has been sold to net the company less than 40c.

Surface Samples Are Taken of Kirkland Lake Gold Belt

KIRKLAND LAKE.—A crew of some ten to twelve men are working on the Kirkland Lake Gold Belt, the old Wood-Kirkland property, which has recently been optioned by Noah Timmins. Surface samples are being taken under the direction of Alphonse Pare, M.E., and a thorough study of the possibilities the property affords is to be made.

CAN PREMIER HOLD TO HIGH DIVIDENDS?

Management is Kept Busy Scratching to Maintain Shipping Grades

SELUKWE IS PROBLEM

Have Emphasized Rather Than Camouflaged Less Optimistic Facts About Progress of Mine

From Our Own Correspondent

VANCOUVER.—How long can the Premier Gold Mining Company continue its present 32 per cent. dividend rate?

The question is arousing considerable interest in financial circles of British Columbia where, it is estimated, about 2,000,000 shares of the company's total issue of 5,000,000 shares are held.

Like all mines, Premier is working a vanishing asset. Upward of $30,000,000 has been taken from the property and this spring the dividend total will pass the $12,000,000 mark.

It is admittedly a fact that high dividend rates have been made possible by the shipping of high grade ore over the 12-mile aerial tramway to tidewater and from there by boat to Tacoma.

Cost of Transportation

That movement is a fairly expensive one and the ore must stand up well to pay the cost of transportation. At one time there was no trouble in getting $80 and even $100 for better shipping ore.

Apparently those days are gone forever and it is keeping the management busy scratching to maintain the shipping grades.

In the lower workings, much of the ore is low grade, some of it dropping below $5. It must be sweetened to about $12 for a good mill feed and to do that will mean that ore in the upper stopes that would otherwise go over the tram must be kept on the hill and go through the mill.

As a milling proposition, Premier probably has a long life, but the length of time it can continue to ship high grade ore direct to smelter is in all likelihood, not more than two years.

No Camouflages

This subject will probably be dealt with in the annual report, for Premier management emphasizes rather than camouflages the less optimistic facts about the progress of the mine.

There is, of course, the prospect that B.C. Silver, adjoining property known to have some of the Premier main vein extensions, will be turned over to the Premier Mine to operate. Premier wants the property, but does not want to pay the price the Selukwe Corporation, parent company of B.C. Silver, asks for it.

Several months ago, a party of Premier men gave the B.C. Silver a thorough sampling. It is said that they turned in to the management results indicating that the B.C. Silver ore body actually blocked out is considerably less valuable than claimed by engineers of the B.C. Silver mine. It is the result of this sampling that has caused the present deadlock in negotiations between the two companies.

If Premier could get B.C. Silver it might sort out a sufficient tonnage of ore from the rock mined to keep the tramway busy after Premier shipping ore is exhausted. But men who know the B.C. Silver ore body say that the property will produce mostly milling grades and not any large tonnage that will stand shipping.

Prosperity Group

There is another consideration entering into the Premier Gold Mining Co. situation, and that is the development of the now famous Prosperity group of claims on the Marmot River.

Some sensational assays were run from ore mined on upper workings there. Undoubtedly the Prosperity strike was one of the important events of 1927 in the Portland Canal field. But the vein is spotty and the future of that property will not be known until a 1,400-foot crosscut, at present being driven, reaches its objective. If the ore is found at depth and good values persist, then Premier will have another mine of real magnitude. There is just a possibility that this property will carry on with high grade ore shipments when Premier mine quits. But that, of course, is the realm of speculation and uncertainty.

Reverting to the situation with respect to the B.C. Silver property, it is now rumored that the London interests behind the Selukwe Company have decided to get their price or to wait and get the Premier mill at that distant date when Premier ore is exhausted.

It is known that Selukwe shareholders are restive and would like to see action and some prospect of dividends, but the management apparently has a goodly supply of the stolidity and patience traditionally credited to the Briton. Premier owns 38 per cent. of B.C. Silver stock, but it is doubtful if it could organize sufficient of the rest of it to produce a majority of malcontents and force some operating agreement.

Selukwe Interests

It is wholly improbable that the Selukwe interests will undertake to build a mill of their own. They could not put up a plant that would be adequate for most economical operations for much less than $1,000,000, and the fact of the matter is that B.C. Silver has not yet proved up enough ore nor have B.C. Silver and the National Silver mines together found enough ore to justify the expense of a plant duplicating Premier's concentrator.

The game of patience has still some time to run. C. A. Banks, engineer for the Selukwe interests, has had an important influence on the company's policy. He has a contract with the company that will not expire for something more than two years. The situation may conceivably stand as it is for several years.

HEADS LARGE VENTURE

O. B. BUSH

president of Bush Consolidated Mines, Portland Canal, B.C., which company is now negotiating with a large group of New York mining financiers, and which may lead to a large new development operation. The deal would involve only a part of Bush holdings. Teck Hughes interests are said to be concerned.

SHERRITT-GORDON OFFERS TO PUBLIC NEW STOCK ISSUE

Basis is One New Share For Each Six Held

PLANS EXPLAINED

Large Sums Are Known to Have Changed Hands During Last Few Days

Sherritt-Gordon Mines is offering shareholders new shares at $4 each, on a basis of one new for each six held.

This is the first public offering of shares in this very attractive venture. Shares were placed first privately, but no public offering was made. The public now becomes interested as the rights carry considerable value. Indications are that the market will be quite active, with shares available at $4 when it is known that large financial interests have grabbed all the large blocks available at $5 a share. The writer witnessed the passing of one cheque for $85,000 for 17,000 shares and it is reliably reported that another deal was $1,000,000 for 200,000 shares.

The official announcement of the new financing plans sent out by Pres. Halstead Lindsley, is as follows:

"As you are no doubt aware your board of directors have undertaken an extensive program of development of the company's property, and in order to provide additional capital your directors at a meeting held to-day determined to issue and sell 666,666 shares of the unissued capital of the company. I am directed by the board to inform you that the company now offers for subscription to the shareholders and to the holders of voting trust certificates under an agreement dated August 2, 1927, between Robert J. Jowsey and Thayer Lindsley as parties of the first part and Thayer Lindsley as voting trustee of the second part, such 666,666 shares of $1 par value each on the basis of one share for each six shares held, or represented by such voting trust certificates, at the close of business on January 21, 1928, at a price of $4 per share, payable in instalments as follows: $2 per share with the subscription on or before February 1, 1928; $1 per share on May 1, 1928, and the balance of $1 per share on August 1, 1928. The instalments may be paid in advance, but no discount will be allowed on such advance payments and default in payment of any instalment renders the subscription and payment made thereon liable to forfeiture. No shareholder or holder of a voting trust certificate is to be entitled to subscribe for a fractional share. Subscriptions for new shares may be made on the blank enclosed for that purpose and must be forwarded together with payment of at least the amount of the first instalment by marked cheque payable at par in Toronto, so as to reach the company at its office, 503 Excelsior Life Building, Toronto, Ontario, on or before February 1, 1928. Subscriptions will only be received from shareholders and holders of voting trust certificates of record on the close of business January 21, 1928, and no shareholder or holder of a voting trust certificate shall be entitled to assign his right to subscribe for new shares. Any shares hereby offered which are not subscribed for or paid for will be dealt with as the board may determine."

Reorganization Plans Are Now Complete on "Owl"

Pres. M. C. Cowan, Ontario Woman Lake Gold Mines, has sent official word to shareholders of the completion of the reorganization plans and also of the acquisition of additional important holdings. One important point in regard to claims secured tacking on to the group at the Woman-Narrow Lake portage is that it gives control of all the water rights between the east boundary of Woman Lake and the island to the east. This is included in new claims acquired.

Plans are to take an up-to-date mining plant in over the ice this winter, and work will start on a vein that gave good commercial value over a width of 29-ft.

20 YRS. ORE TO 900 FEET ON FLIN FLON

Mining Corp. Head Tells of Hudson Bay M. & S. Co.

OFFERS SHARES

Mining Corp. Purchased Block and Offers Its Property Shares to Shareholders

It begins to look as if Hudson Bay Mining and Smelting shares are going to be as scarce as hen's teeth. This is the holding company on Flin Flon mine and has been organized to distribute or divide the various interests.

The company will be capitalized at 2,500,000 no par shares. The market price is $15 a share and as 1,000,000 are being given for the properties, this puts a valuation on the mine as it stands to-day of $15,000,000.

The balance of the shares, 1,500,000 are being sold for cash. The price is not announced, but presumably it is the same as Mining Corporation is offering them at, namely $15, which means that the company will have $22,500,000 working capital. Aside from the offer of the right to Mining Corporation to take up one share of the Hudson Bay stock for each 10 Mining Corp. held, interest will centre around the block of treasury shares being sold. Many leading Toronto Mining and stock houses have been working hard to secure blocks of this, and on their measure of success will depend the chances of the general public getting any of the stock at all.

Pres. J. P. Watson, Mining Corp., outlines many important details of the situation in a letter to Mining Corp. shareholders, offering them the right to take up shares. Touching on the mine, he says that there is enough ore proven to last for 20 years and this is above the 900-ft. level. The grade is between $12 and $13 per ton.

Mr. Watson's letter:

Consequent upon the exercising by Mr. Harry Payne Whitney and associated interests of their Flin Flon option there has been formed Hudson Bay Mining and Smelting Co., Limited, a Canadian company, which will engage in mining in Canada on a large scale.

This company, which is capitalized at 2,500,000 shares, no par value, all of which are being issued, is constituted as a holding company and will have complete stock ownership of the Flin Flon Mines, Limited, (the operating company), in which are vested the Flin Flon properties, and which will conduct the mining operations. The holding company will have the exclusive right to subscribe for stock of the operating company.

Our American associates and ourselves are receiving for the properties 1,000,000 shares of Hudson Bay Mining and Smelting Co., Limited, of which our proportion is 150,000 (this of course is in addition to the cash we received under the option). The balance of the shares, viz., 1,500,000 are being sold for cash for the treasury of the company. Certain blocks of these treasury shares have been placed at the disposal of the corporation for subscription for a limited time only. Your directors are purchasing as an investment for your corporation as large an amount of this treasury stock as is deemed advisable, and from the balance of these blocks desire to offer stock for subscription to the shareholders of the Mining Corporation in proportion to their holdings.

By this arrangement we are able to give to each of our shareholders the right to purchase, at $15 per share, if, as and when received by your corporation, one share of Hudson Bay Mining and Smelting Co., Limited, for each 10 shares of Mining Corporation stock held. No account will be taken of fractions.

The transfer books of your company, which are now closed for dividend purposes, will be reopened on January 19th instead of January 25th, as was previously announced. You are advised to make sure at once that your shares are properly registered.

As these treasury shares are only available to us for a very short time it will be impossible to follow the customary routine of issuing warrants. Shareholders desirous of subscribing for these shares must forward their Mining Corporation stock certificates to this office accompanied by certified cheque for the full amount of their subscription, payable to the Mining Corporation of Canada, Limited. Subscriptions cannot be accepted without presentation of stock certificates. Subscriptions must be made at once, as it

(Continued on page 21)

NOT ENOUGH HARKER TO SATISFY DEMAND

Jack Hammell Put Over Another Nice Piece of Mine Financing

Jack Hammell has put over another excellent piece of mine financing, Harker Gold Mines. The issue was away oversubscribed and some very large cheques were returned.

Howey was Mr. Hammell's first masterpiece of financing. Despite criticism over the Dome deal and with the knowledge quite general that Dome dropped his property, which is generally accepted by the public as a black eye—though when the turndown is by a large company it rarely works out that way—he gathered around him a fine group of big mining men and friends, with the result that Howey has always had ample funds.

Harker he handled differently. He did consider another such plan as the Howey, but the brokers urged him to give them a chance. He did finally, and the brokers showed their appreciation.

Mining Exchange Greatly Improved

From Our Own Correspondent

MONTREAL.—The recent reorganization of the Montreal Mining Exchange and the higher standards adopted both in listing stock and in considering applications for membership has materially improved the standing of the organization and has resulted in a larger demand for the seats. D. Lorsch and J. A. MacCausland, two of the oldest members of the Standard Stock and Mining Exchange of Toronto, have now become members of the Montreal Mining Exchange.

When a new board of directors of the Montreal Mining Exchange came into office lately, investigations were begun which resulted in the expulsion of some members and removal of some stocks from the list.

COMMERCIAL ORE CUT IN TWO PLACES BY SUDBURY BASIN

Company's Cash Position Revealed to be Strong —Shares Being Split

Sudbury Basin Mines was revealed to be in an exceedingly strong financial position, at the meeting called to ratify the proposal to split the shares 3 to 1 and increase the capital from 300,000 shares to 2,000,000 no par shares. Shareholders were told that a firm underwriting had been entered into for 200,000 shares and when completed there would be over $1,000,000 cash in the treasury and 900,000 shares unissued.

Jos. Errington said it was the policy of the company to pick up properties that seemed desirable. In the Sudbury district claims had been quietly investigated for a number of years and when found favorable had been acquired. Recent operations there had been with a view to proving up the continuity of the break, and to date commercial ore had been located at points a mile and a quarter distant from each other.

On the Cheney claims exploration work had been in progress all summer. A mining plant had been installed and sinking was to commence within the next ten days or two weeks.

The manner in which the White River lead claims had been acquired was explained. The property was described as one of the most interesting prospects in the north.

Mr. Errington stated that it was not the intention of the directors to confine the company's operations to exploration, as with the treasury amply financed it would be possible to undertake active mining as well.

Peterson Mines Intend to Start Operations

Paterson Mines, which adjoin Amity, and which is known to have a continuation of the Amity vein, is making plans to launch operations. Richard Treloar, manager of Barry Hollinger will be in charge of the work. It is the intention to start sinking a three compartment shaft as soon as the equipment is ready.

Picard Gold Mines Options McCauley Group of Claims

Picard Gold Mines has optioned the McCauley group of claims comprising approximately 360 acres in the Red Lake district. Plans are under way to start work immediately on these properties. This gives the Picard Mines approximately 1,800 acres in Red Lake. Picard stock was recently listed on Standard Stock and Mining Exchange.

Wright-Hargreaves Instals New Hoist for Sinking Shaft

Two Large Holders of Shares Sell Their Holdings

BETTER DISTRIBUTION

1,250-ft. Level is the Main Operating Stage for Most Exploration Work

From Our Own Correspondent

KIRKLAND LAKE.—Wright-Hargreaves is installing a new [illegible]-pound Canadian Allis-Chalmers hoist, which will permit the sinking of No. 3 shaft to the 3,000-foot level. The cage is running through to the 1,750 level on No. 1 shaft, and the 1,625 and 1,750 levels are being opened on the north vein. The [illegible] obtained here compares favorably with that of the other levels on the same ore body. Sinking operations will be resumed in this shaft in about another 20 days.

The 1,250-ft. level is still the main operating level, and most of the exploration work is being done here.

Wright-Hargreaves has three shafts. No. 1 is down 1,781 feet, No. 2 is down 1,525, and No. 3, which is down 300 feet, has not been operated for the past 10 years.

750 Tons Daily

The Wright-Hargreaves mill is treating from 700 to 750 tons of ore a day. Its gold production figures cannot be obtained from the officials of the company at the present time, but will shortly be submitted to the directors in the annual report and will then be available for shareholders and no doubt for the general public as well.

The mine is employing a force of some 350 men at the present time.

Selling of Wright-Hargreaves' shares has continued steadily. This is due to one of the leading officers of the company liquidating his large holdings as he needs the funds to finance a large financial undertaking which he is going into.

Steady Accumulator

Right up to the time that he decided that he would sacrifice his Wright-Hargreaves' holdings, this officer has been a steady accumulator of the mine shares. He started selling at $7.50.

This is the second large block of shares of Wright-Hargreaves to be liquidated in the last 18 months. The other was placed before the stock split and was sold by an official who had retired from active participation in the mine's afafirs.

It is not that the mine does not look as well as ever that these men are selling. In both cases they had decided to launch into other ventures and decided to take their profits. Both having been in the company from its earliest days, faced tremendous profits, as they must have held cheap stock, and dividends already paid must have refunded their original outlay several times over.

Better Distribution

One benefit for shareholders, [illegible] confidence has been restored in the market, is that there is to-day a better distribution of the shares than ever before. It has always been known that there were five or six large blocks of stock handing over the market, and this combined with the fact that the insiders have been steadily accumulating from year to year, kept the stock out of line with the other operations of the camp, and this, despite the fact that the company led until recently in dividend payments.

Shaft Sinking Starts on Monelk Mines

From Our Own Correspondent

MONTREAL.—The directors of Monelk Mines, report that the camp buildings on the property are being renovated and put into thorough repair. A new engine house has been built, and the machinery has been moved to the site of the present operations, where the sinking of the shaft is well under way. Recently, a federal charter was granted to Monelk Mines, whose property is situated in Tudhope Township, Ontario.

Special Edition

GIBSON'S FORTNIGHTLY MINING REVIEW

The current issue of *Gibson's Fortnightly Mining Review* is considerably enlarged, giving a concise synopsis of important mining developments during 1927, with forecasts of the outlook for the current year.

This edition is liberally illustrated with maps and pictures of the districts looming up importantly at the present time.

Copies of this particularly interesting issue may be had, free, by request.

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THE
MINING CORPORATION
OF CANADA, LIMITED

Flin Flon Rights

Mining Corporation shareholders have right to subscribe for one share of Hudson Bay Mining & Smelting Co., Limited, (which owns the Flin Flon properties), for every ten shares of Mining Corporation held, at fifteen dollars per share. Subscriptions payable in full in cash. Mining Corporation certificates must be forwarded at once by registered mail to Head Office of Company, Bank of Hamilton Building, Toronto, Ontario, with subscription and certified cheque payable to The Mining Corporation of Canada for full amount at par in Toronto. Certificates of Mining Corporation will be duly returned and Hudson Bay certificates forwarded if, as and when received by the Mining Corporation. Full notice is being mailed to shareholders, but prompt action is necessary.

J. P. WATSON,
President.

Toronto, January 17th, 1928.

B.C. Ores Production Passes Billion Mark; from 1852 to Date

The 1927 Production Was Larger Than 1926 From Quantity Standpoint

BEST YEARS AHEAD

Copper, Lead and Zinc Are Working Higher and Have Good Future

British Columbia's mineral production this year passed the thousand million dollar mark. Figures completed from 1852 to date, present some interesting comparisons. The advent of Rossland is clearly indicated in the year to year figures, and while many look back upon that development as having been a curse, it is to be noted that it boosted production in a substantial way and that advantage was never lost. The war period when the province drove hard on the production of base metals and the industry enjoyed great prosperity due to high prices, with the decline in value, due to falling prices is also shown. The year 1926 was the greatest in the province's history for the value of the output, but 1927 production was materially larger from a quantity standpoint.

The figures by years:

1852 to 1892 (inclusive) ..	$81,090,069
1893	3,588,413
1894	4,225,717
1895	5,643,042
1896	7,507,956
1897	10,455,268
1898	10,906,861
1899	12,393,131
1900	16,344,751
1901	20,086,780
1902	17,486,550
1903	17,495,954
1904	18,977,359
1905	22,461,325
1906	24,980,546
1907	25,882,560
1908	23,841,277
1909	24,443,025
1910	26,377,066
1911	23,499,072
1912	32,440,800
1913	30,296,398
1914	26,388,825
1915	29,447,508
1916	42,290,462
1917	37,010,392
1918	41,782,474
1919	33,296,313
1920	35,543,084
1921	28,066,641
1922	35,158,843
1923	41,304,320
1924	48,704,604
1925	61,492,242
1926	67,188,842
1927 (Estimated)	62,142,340
	$1,050,240,810

JOINS THE BROKERS

J. D. MACDONALD

formerly with the Bank of Ottawa and the Bank of Nova Scotia in the capacity of manager of the Cobalt and the Haileybury branches, and later in business in Haileybury, has joined with A. D. Gorrie and D. M. Robertson in forming the new brokerage house, in Toronto, of Gorrie, Macdonald and Robertson.

The table of production by metals given below shows a huge total for lode gold. The fact is that lode production is in the ascendancy and placer is dropping back. Copper, lead and zinc are working higher and this branch of the industry has its best years ahead. The figures:

Gold, placer	$ 78,268,548
Gold, lode	130,527,558
Silver	87,154,353
Copper	221,228,318
Lead	122,358,942
Zinc	59,688,557
Coal and Coke	297,049,133
Structural materials	51,548,431
Miscellaneous minerals, etc.	2,426,970

Southern Saskatchewan Expect as Good Results as From Flin Flon Area

Bureau of Industries of Province Expect Accession of Industrial Activity to Follow Commencement of Briquetting Plant at Western Dominion

From Our Own Correspondent

REGINA, Sask.—Though the spectacular developments in the Flin Flon area have attracted most of the attention of the public of Saskatchewan those who are behind the scenes of the natural resources question are expecting that as great, or greater, results will be achieved in the South part of the province. In the four years, which it has been estimated will be required to bring the Flin Flon mine to its full development, it is confidently expected that in the lignite fields of Bienfait, Estevan and elsewhere, a mineral and industrial development of equal importance will have been established.

This month there comes to Saskatchewan, from England, Ernest Bury, the consulting engineer of the Western Dominion Collieries, Ltd. This company, which has been re-organized for the attempt, has taken over the Bienfait lignite experimental plant established by the Federal, Manitoba and Saskatchewan governments some years ago and later, handed over to Saskatchewan after more than a million had been spent on research in connection with the soft coal of the district. Mr. Bury's task will be to fit the present plant for production of briquets, or to arrange for such alterations as may be necessary to the company in its production. Under the agreement with Saskatchewan by which this plant is to be transferred some $500,000 has to be spent in equipment, alterations, if any, and repairs. And it is expected that the company will be producing in the course of the year.

Industrial Activity

Officials in charge of the bureau of Industries of the province expect an accession of industrial activity to follow upon the commencement of this briquetting plant. For the process of manufacturing by-products in large volume will be created which will give cheap power and raw material of a sort. Given these conditions, essential to manufacture, it is considered inevitable the factories will follow.

In the process of carbonization which will procede the manufacture of the briquets, a large amount of gas will be released, variously estimated from 2,080 cubic feet per ton of residue to 5,500 cubic feet, the amount being dependent upon the system in use. Whether a high temperature or low temperature carbonization system has been decided upon will not be known until Mr. Bury arrives and upon this decision rests the quantity of gas to be made available. This gas while not of high calorific value will be cheap and plentiful and it is expected will be capable of being piped easily to any industry in the neighborhood, and particularly to the brick and tile and other industries of ceramic products, now established, or establishing, in the locality. It is expected to stimulate greatly the production of high grade tile products manufactured from the white clay deposit of South Saskatchewan. Estimates have been made that upon the output expected of the plant, for which some 300 to 600 tons per day of lignite will be required, there will be at least 2,400,000 feet daily of gas produced.

Another By-Product

In addition to this another by-product will be coal tar; producing about 80 pounds to the ton of raw material used. Either this may be distilled into pitch for the necessary binder for the briquets or refined to creosote and the other refinements of coal tar. A chemical plant thus becomes a possibility for the utilization of this product. The probability seems the more likely since the Colliery Company has been making enquiries of the Imperial Oil refinery in Regina with regard to the manufacture of the binder and thus creates the belief that it is not intended to refine from the coal tar.

There is readily accessible to this lignite field a large deposit of volcanic ash, the development of which it is expected will follow upon the release of gas power from the coal. Thus Saskatchewan says that its southern area is as valuable, from a mineral and industrial standpoint, as its Northern one.

Four Points

The evidence in the foregoing may be summed up as first, the production of a briquet fuel; second, the release of cheap gas power; third, the proximity of brick and china clay and volcanic ash deposits; and fourth, the chemical value of by-products from the coal.

The raw material is unlimited as to quantity and that a really earnest effort as to development is intended is shown by the reconstruction of the Western Dominion Collieries on a more satisfactory and stronger financial basis. This company was re-organized by placing before existing mortgage debentures a prior lien debenture and a re-arrangement of the ordinary share capital. The company's capital structure now is 7 per cent. prior lien debentures £120,000, 6 per cent. First Mortgage Debentures £72,500, £1 ordinary shares, £300,000, or a total of £492,500.

McIntyre Production Up for Last Quarter of Year

McIntyre's gross earnings from production for the quarter ending Dec. 31 passed the million mark, which is presumably a new high level. Costs were materially higher with other revenue lower, yet the net for the period was well up. On the basis of next month's figures McIntyre is now earning $1,724,280 without making depreciation allowance.

The figures:

	First Quarter, June 30, 1927	Second Quarter, Sept. 30, 1927	Third Quarter, Dec. 31, 1927	Total For Nine Months	Quarter Ended, Dec. 31, 1926
Gross recovery	$894,167.39	$981,251.02	$1,033,677.86	$2,909,096.27	$936,755.51
Costs, including development	522,641.88	532,884.71	576,626.94	1,632,153.53	539,347.07
Oper. earnings	371,525.51	448,366.31	457,050.92	1,276,942.74	397,408.44
Non. oper. revenue	20,969.45	27,496.92	23,318.54	71,779.91	25,248.81
	392,494.96	475,863.23	480,364.46	1,348,722.65	422,657.25
Less—Provision for taxes for period	16,351.82	22,027.05	17,133.27	55,512.14	20,739.07
Net earnings before depreciation	376,143.14	453,836.18	463,231.19	1,293,210.51	401,918.18

Post's Staff Man Among Mines Introduced

The Financial Post's staff man in Northern Ontario, A. E. Richard, is now on the job, and up-to-the minute items may be looked for regularly.

During the past week the writer had the pleasure of introducing him to a number of the properties.

First stop was at Boston Creek and the drive in to Barry Hollinger proved a tough one. A real old cutting blizzard was raging strong.

Barry Hollinger was the first mine visited and in three days quite a number of the important prospects of the area and Kirkland Lake were examined underground. Bidgood was among these.

The drop from the 500 to the 1,050-ft. level of Conroyal was quite an initiation for a new comer, being accomplished in a swinging bucket.

This week Mr. Richard is giving his attention to the main producers of Kirkland Lake.

SURVEYOR IS STILL PIONEER EXPLORER MAPPING CANADA

Contrast is Drawn Between Present Day and Olden Times

In a new country such as Canada, where pioneering conditions have been and still are accepted as part of our national life, the surveyor stands out as one of our romantic figures. His place in the popular mind is in the vanguard of progress, along with the discoverer and explorer, the fur-trader and all those whose efforts go toward the initial development of our unopened lands. In the colonization period after Confederation, he played a major part. During these formative years of our country's growth he was entrusted with the distinctly important task of subdividing the untracked expanses of Canada's West into farm units, a work which was carried out by the organization now known as the Topographical Survey, Department of the Interior. He was ever crowded by the increasing waves of settlement behind him and ever alive to the necessity of keeping ahead of them.

Occupied with such an urgent task wherein time counted for so much he could not allow himself to be delayed in his work by attempting much beyond the actual immediate requirements. Thus it was, for instance, that he could not take time to record topographical data except in so far as the main purpose at hand was affected. That would have to wait until some more opportune time.

Pioneer Explorer

Now that opportune time is at hand. The surveyor has not yet given up the role of pioneer explorer, indeed for many years to come he must still play that role, but some of the effort that formerly went toward surveying farms for incoming settlers can now be turned to the equally important work of providing detailed topographical maps of settled areas as a necessary element in our national development.

The collection of the field information preliminary to the issue of such maps, is a work of an admittedly different order from that of land subdivision. The camp surveyor engaged upon such work in settled country, would present a different atmosphere to that of the subdivision survey camp on the frontier. Just as the farmer in the older districts no longer wends his slow way with oxen or in prairie schooners, so also the surveyor in mapping the same localities has eliminated from his camp the pack-horses or train-dogs and other features that distinctly belong to frontier surveying.

Your modern surveyor, engaged in mapping the countryside makes use of the motor car—he can speed up his work thereby—and he has found it convenient to include in his outfit such items as folding stoves, folding beds, folding tables, and folding seats. Indeed, everything that can be is carefully folded and reduced to the ultimate limit of its "collapsibility." Yet with all these elaborations of modern science and invention, the shelters of the survey parties still remain as mobile as the sheepskin tents of the nomad Israelites in the days of Abraham.

The usual equipment of the mapping party includes a chief's tent, a cook-tent which would probably also be a dining tent, perhaps another for stores, a number of sleeping tents and an office tent. In this unit, next to the chief himself, it is commonly stated that the cook is the most important personage. Certainly he possesses capabilities far beyond those of any other member of the party for rendering camp life a pleasure or the reverse.

Office Staff

It is the office staff, however, who have made the greatest change in converting the primitiveness of the former survey camp to its present state. Their canvas office is not the less efficient in that its folding standing desk may be home-made, and perhaps an oblong case, somewhat resembling a coffin on legs, which carries the instruments when the camp is on the trek, may do service as a bench. As a rule two draftsmen comprise the office staff. Their duty is to check up the work of the topographers and make the necessary computations so that when the field work is completed, the actual process of compiling and plotting the finished map at Ottawa will not be delayed by unnecessary checking of field data. Their equipment usually comprises plotting machines, mathematical tables, slide rules, and other drafting appurtenances, with possibly a typewriter, a stereoscopic drawing board for use in the interpretation of aerial photographs, and a high-powered gasoline lamp, the latter an invaluable aid for working at night. There are filing racks for field notes, correspondence, and aerial photographs (a modern aid in mapping, largely developed in Canada).

When it is remembered that camp must be moved far and frequently, without undue loss of time, the necessity for an orderly and business-like system must be apparent. And this system permeates every detail of the camp life from the disposal of refuse to the care of delicate instruments, from the cook's "roll out" at five in the morning often until the "wee sma' hours" when all calculations on the field notes for the previous day have been completed and checked.

Since we are past the days when the only knowledge considered necessary about land was the location of its boundaries, the value of these surveys can scarcely be over-estimated. The resulting maps showing topographical features particularly in a young country such as Canada, can enter into so many phases of of its development, that the wonder often is that they are not used more. And though these maps may not appear to have in them much that lies beyond the realms of the matter-of-fact, the data, therefore, have not been gathered without interesting incidents of all kinds in the "moving accidents of flood and field."

NEW BRUNSWICK'S MINE ENACTMENT RECEIVES PRAISE

Revision of Mines Legislation Aided Industry, Says Mining Minister

From Our Own Correspondent

FREDERICTON, N.B.—Hon. C. D. Richards, Minister of Mines, says the enactment of a new Mining Act at the last session of the provincial legislature has already resulted in expansion of the mining industry. More attention had been given to mining activities and development of the mineral resources of the province the past year than ever before and what was taking place could not have occurred had there not been a revision of the province's mining legislation. His aim is to make the Mining Act as useful as possible to prospectors and, one who should know, had declared that New Brunswick's new Mining Act was "all that any reasonable man could ask for."

Hon. Mr. Richards referred to the development of the antimony mines at Lake George, York County, declaring that "there is no question now that this development will proceed." He said that the Canadian International Corp., Montreal, represented by Gen. Charles A. Smart, C.M.G., of Westmount, were carrying on the arrangements for proceeding with their extensive operations as rapidly as possible. A power plant was on order, a concentrating mill would be installed and this would be followed by a smelter so that antimony metal and the valuable by-products would be manufactured within the province. One actual development of importance such as this, being carried on successfully would provide the best possible kind of publicity that could be obtained to stimulate mineral development in New Brunswick, he declared.

Copper Deposits

Operations by the same interests at the copper deposits at Annidale, Kings County, were next referred to, the Minister stating that the assay of the ore had shown a higher percentage of copper than the famous Noranda mine could boast of, and experts' reports had made General Smart and his associates confident that the quantities were sufficient to make the profitable operation of the property possible and they were going ahead with extensive development plans there, also. Operations at Elm Tree River in Restigouche County, where there are valuable deposits of lead-silver, would probably soon be commenced, while the same was true of the deposits of franklenite, molybdenite and iron in Gloucester County. In connection with the immense deposits of iron ore in Gloucester County, Hon. Mr. Richards said that Sir James Dunn, a native of Bathurst, now prominent in financial circles in London, was interested with the development plans and had sent an engineer to Norway to inspect a new method for smelting ore of a similar character and the manufacture of sponge iron. This new method was working out satisfactorily in Norway and it was believed its introduction would make possible the establishment of a large industry in Gloucester County. Establishment of the $250,000 experimental plant of the Maritime Eduction Company at Rosevale, Albert County, for the extraction of oil and valuable by-products from the immense deposits of shale was another definite undertaking which had been commenced during the past year referred to by the Minister.

In connection with what was being done to bring the opportunities for mineral development in New Brunswick to public attention, Hon. Mr. Richards said that he wished to give credit to H. G. Wildman, mineralogist of the Natural Resources Department of the Canadian National Railways, who he referred to as "a remarkable man of unusual attainments and practical experience, who has given us great assistance and has done much towards making possible what is now being done."

General Smart

He also referred to the interest which General Smart was taking in the development of the natural resources of the province and quoted references made by Dr. Goodwin, formerly of the Ontario Bureau of Mines and a native of this province, as to the rich mineral wealth of New Brunswick and their possibilities of development.

Concluding his reference to mineral development, Hon. Mr. Richards said that he intended to have steps taken which would insure continued investigation by a geological expert of the mineral resources of the province. By what method this could be done, he was not yet prepared to say, but it was hoped it could be accomplished by some co-operative arrangement which would work out advantageously also for the Provincial University. He was satisfied there was a large field for profitable expansion in the development of the mineral resources of the province and the government was prepared to go a long way in giving assistance.

How Times Changed in Hunting for Oil

Times have changed in the oil business from what they used to be 20 years ago in the opinion of an official of one of the leading operating companies in Texas. He had just received a report of one of their wells being completed making estimated 28,000 barrels daily. Looking at the report, he said: "Eighteen years ago when we got an 18,000-barrel well everybody, including the president, would go out and get drunk. Now when we get a 28,000-barrel one we sit back in the chair and remark, 'Hell, more trouble!'"

Windfall-Rouyn Has Five Plants Now Under Way

With five operations now under way, the camp of the Windfall-Rouyn Mines at Clericy, Que., is the scene of broad activity, which disregards the handicaps of winter.

Of first importance is the work being done on an impressive sulphide zone. Across a width of 150 feet, a rock trench has been run, being 15 feet deep at the centre. Two hundred feet to the east of this trench, a second trench is under way across approximately the same width, and by next week will have attained the same depth. The walls of both trenches show increasing evidence of replacement by chalcopyrite of the pyrite and pyrrhotite which marked the surface outcropping. This replacement has assumed already sufficient importance to ensure diamond drilling at depth, as the next step in the development of this location.

On claim 4290, approximately one thousand feet to the east, another large sulphide body is being opened up by stripping and trenching. Although the distance between the two operations is considerable, the structure and mineralization so closely approximate each other that in the opinion of Fred M. Passew, engineer in charge, there is reason to believe that both sulphide bodies are surface outcroppings of a very large deposit at depth.

Second Shaft

At the extreme eastern boundary of the property, a second shaft has been undertaken. This shaft is now down 15 feet and interesting developments are expected between now and the end of the month.

At the western end of the workings, the diamond drilling is in progress adjacent to the original discovery on the now famous Windfall dome. The casing of the No. 2 hole has been drawn and a new hole has been started at a different angle, to cut two conductors located by the Radiore survey as well as the formation of the dome itself. Drilling in the original hole encountered a heavy boulder and gravel formation which so retarded progress as to make the change in angle a real saver of time.

The second diamond drill crew arrived this week at the camp and began at once to drill the junction of two strong Radiore conductors midway between the sulphide operation and the dome. The location of this drill was at the urgent suggestion of the Radiore Company, who describe this area in their report as of major importance and state that a diamond drill hole to cut the intersecting conductors is strongly advised.

With forty men, a complete mining camp and two diamond drills at work, developments at Windfall are being watched with attention by the mining fraternity.

20 YEARS ORE TO 900 FEET ON FLIN FLON

(Continued from page 20)

is not in the directors' power to hold these rights except for a very short period.

The properties controlled by the Hudson Bay Mining and Smelting Co., Ltd., comprise 5,678 acres, situated on the Manitoba and Saskatchewan boundary, northwest of The Pas. A railway is now under construction from The Pas to the properties, and plans are being prepared for the erection of a complete plant capable of treating 3,000 tons of ore per day. Ample water power rights are held and will be developed. It is estimated that with the plant operating at full capacity there is sufficient ore in the mine now proved to maintain operations for a period of at least twenty years. The ore is proved above the 900-foot level only and at that depth it shows no diminution in value, and there is no reason to think that it does not continue to lower depths. The main metals are gold, silver, copper and zinc, and at the present price of these metals, the grade of the ore is between $12 and $13 per ton. Upon completion of present financing, the company will have ample funds for all purposes.

Your directors have always felt that with the metallurgical difficulties overcome, handsome profits should accrue from the operation of the Flin Flon Mine, and they are very glad that this opportunity is possible for the shareholders of the Mining Corporation to participate directly as well as indirectly in this enterprise."

RECEIPTS AT TRAIL SMELTER

Ore receipts at Trail Smelter for week ending January 1, 1928:

Company mines	10,683
Other mines	1,762
Total	12,445

Vein on 1,500 ft. is Cut on Conroyal

Conroyal Mines, Lebel Tp., Kirkland Lake, has cut the vein on the 1,500-ft. level. The last report was that the cross-cut was into the vein 10-ft. Assays are not available, but it is reliably reported that lead tellurides have been recognized. This is news of the greatest importance to this section of the camp.

On the level above the vein showed a width of 24-ft. and was consistent and strong, but the values were just around commercial grade. They have steadily improved. Incidently, the Conroyal operation is one of the nicest exploration efforts in the whole of the north.

Pre-Listing Offering

Sudbury Contact Mines, Limited

(No Personal Liability)

Property	Five groups, comprising approximately 2,400 acres. Two groups adjoining Sudbury Basin on south and east. Another group adjoins holding of National Lead Company.
Development	Contract awarded for 10,000 feet of diamond drilling.
Management	Operations under direction of H. S. Denny, M.E. Directorate composed of responsible mining and business men.
Finances	Amply financed to complete outlined program of development.

A limited number of shares are being offered at 40c per share, subject to confirmation.

Application will be made to list the shares of Sudbury Contact on the Standard Stock and Mining Exchange.

Letter containing complete details mailed upon request.

Arthur E. Moysey & CO.
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Send me special letter on Sudbury Contact Mines, Ltd.
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Canadian Kirkland Gives Approval to New Plan

Final approval has been given to a proposal to organize two separate companies on the properties of Canadian Kirkland in Kirkland Lake camp.

The company has two groups which considerable work has already been done. The South group is South-West of Grozelle, in the west end of the camp and is well regarded by a number of engineers. A shaft is down 450-ft. and a considerable amount of lateral work has been done, with encouraging results. It is on this property that the first work will be done and it is understood that a syndicate has underwritten 500,000 shares.

The second property adjoins Goodfish on the west, on the north break of the camp. Full details of the plans are not as yet available. Old shareholders will be given one share in each company for each three old held. This will work out based on the underwriting price that the shareholders will get 40 cents in new stock for each 28 cents of old stock now held.

Eldorado Mines Shaft Reaches 300-ft. Horizon

Eldorado Mines, Central Manitoba field has now reached the 350-ft level in shaft sinking. The company is making excellent time in its drive to the 500-ft. horizon. Incidentally the cash position of Eldorado Co. is now well past the $400,000 mark and there is still a substantial amount of stock in the treasury.

A Complete Mining Plant For Astoria Rouyn

is now en route to more quickly prove up at depth the surface indicated, 1000 feet long and 74 feet wide potential ore body on group IV. Test pits have shown increasing mineralization at depth.

Field operations are under the personal direction of J. G. Sipprell, a competent and experienced mining engineer.

Invest Now. Write

ASTORIA ROUYN MINES
LIMITED
74 Sparks Street, Ottawa

CARIBOU COPPER CORPORATION

Owning 1100 acres of well-chosen mining properties in Quebec.

A diamond drill is now en route to investigate at depth surface showings of massive ore on the Bourlamaque property over a mineralized zone 600 feet in length and 200 feet wide.

Capitalization 4,000,000 shares of no par value. An offering of 200,000 shares will shortly be made.

G. H. Guy & Co.
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202 Blackburn Bldg. Ottawa

We Recommend

ABANA

Enormous Ore Reserves—First-Class Management—Well Financed

This decidedly wonderful mine apparently has stupendous money-making possibilities.

Information Upon Request.

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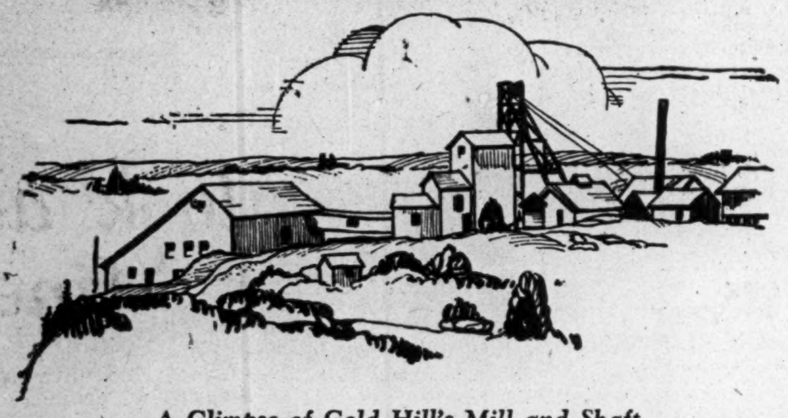
EASTERN CAR COMPANY
Limited
Freight Cars and Accessories

HALIFAX SHIPYARDS
Limited
Drydock - Shipbuilding and Repairs

BRITISH EMPIRE STEEL
CANADA CEMENT BUILDING CORPORATION LIMITED MONTREAL, CANADA

Gold Hill's Program for the New Year



A Glimpse of Gold Hill's Mill and Shaft

Gold Hill Mines Limited has every reason to face the New Year with the expectation of substantially improving the position of the mine as to ore resources with development at greater depth.

The company's mill has been in operation for some time and ore is being taken from several levels by narrow stoping. Both mining and milling problems are being worked out to the management's satisfaction. The first pouring of bullion has been shipped to the Mint at Ottawa.

Recent diamond drilling at and below the 800-foot level showed marked improvement in the main vein. Two other veins of a promising character were cut.

The company plans the immediate sinking of a winze to deeper levels and the opening up of veins at 1,000 feet and below.

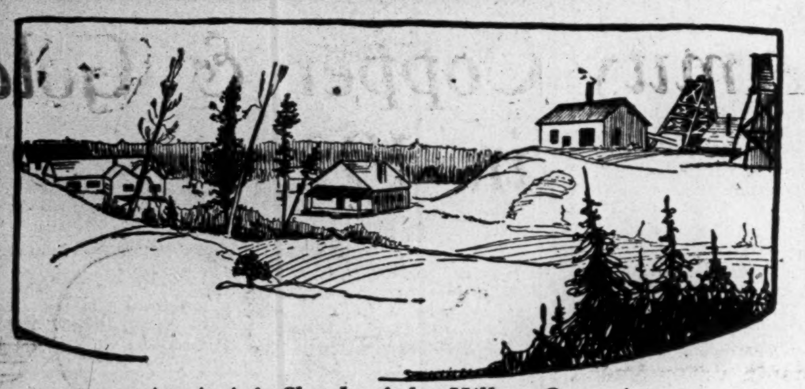
While the values and widths of veins can only be proven by actual mining, there is every indication of the property proving up to the satisfaction of shareholders during the coming year.

With best wishes to our friends and associates.

(Signed) D. H. ANGUS,
President and General Manager,

Gold Hill Mines Limited
(No Personal Liability)

Head Office:—Haileybury, Ont.



An Artist's Sketch of the Hilltop Operation

Hilltop Gold Mines During 1928

As this is written, new machinery is being constructed or is en route to the property of Hilltop Gold Mines, Limited, to provide the complete equipment required to carry this mining operation to a depth of 1,500 feet.

Last year's work on the property was carried to a depth of 400 feet with considerable lateral work, resulting in the opening up of a number of very promising gold-bearing veins.

With the installation of the new machinery this work will be continued during the coming year.

The directors announce the company's program for 1928 as follows:

(1) Installation of complete new equipment for mining to a depth of 1,500 feet and the exploration of the main vein system.
(2) Appointment of a resident manager who shall devote his entire time to the aggressive development of the property.
(3) Appointment of an outstanding engineer, thoroughly familiar with the geology of the district, as consulting engineer.
(4) A complete geological examination of the company's 480 acres. Surface work up to the present has uncovered 28 veins, a number of which show commercial ore on surface. New developments in the camp warrant the mapping of all structures in their relation to the ore showings.

The strongest evidence of gold deposition inspires that faith in the property which, backed by ample finances and technical mining skill, enables the directors to look forward to a conclusive year of development and every indication of proving sufficient commercial ore to bring in a new mine during 1928.

(Signed) A. MARLAND WOOLNOUGH,
President,

Hilltop Gold Mines, Limited
(No Personal Liability)

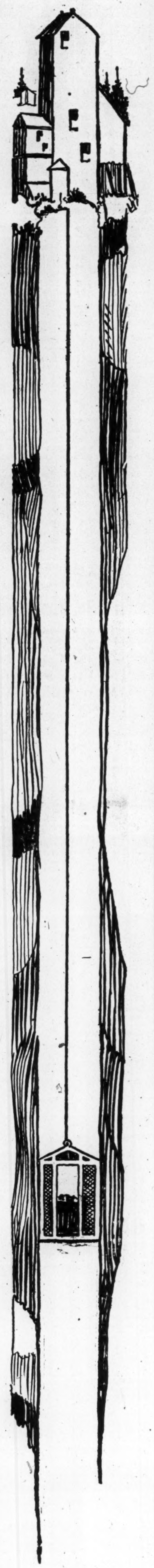
Head Office:—Bank of Hamilton Bldg., Toronto.

BOSTON McCREA GOLD MINES LIMITED

DIAMOND drilling started in the late fall and the first hole drilled to 299 ft. where the bit was lost; the drill was moved to new location for No. 2 hole and drilling commenced there at noon, Jan. 11th. Report from superintendent on No. 1 hole as follows:—"We cut the main schist break at 197 ft. 6 in. I figured on getting it at 200 ft., so was not far out. It is just about the same as on surface, dark schist fairly well mineralised, and then from 206 ft. to 270 ft. there are a lot of threads and stringers of quartz; from 280 ft. to 286 ft. is schisted dark basalt with quartz stringers; from 292 ft. to 298½ ft. is schist and quartz; hole stops at 299 ft. where bit was lost. I was surprised to see so much quartz and mineralisation north of the main break." No assays have yet been made, but will be in the near future. It is intended that 3,000 ft. or more of diamond drilling will be done.

G. W. MORRIS, President

Head Office, 510 Kent Bldg., Toronto



Thirteen Operations at Boston Creek Call Attention to Importance of Camp; Gold and Copper are Now Indicated

New Townsite is Suggested for Boston Creek Residents

Boston Creek as a municipality will never make much progress until a new townsite is laid out.

Residents of the town state that there would be many more people locate there, if they could secure a fairly long lease of the ground.

The townsite is located on a 40-acre tract, owned by a North Bay resident. He charges $3 a month rent for a lot and will not give a lease. This means that those who go in and build a house or store are there on a month to month basis at the pleasure of the owner of the land.

Large numbers have looked the situation over with the idea of locating there, but the rental conditions have been a barrier.

With such a large number of miners working in the district, it is certain that many would build homes and move their families there, if they could secure a location and not face the possibility of having to get off in a month or so. Many residents of the camp say they have been there for years and the landlord has never bothered them but there is always the possibility that he may do so any time.

Boston Creek Area Stakes First Gold in North Ontario

Explains Why This Camp, Stretching North to Include Kirkland Lake is Included in Same Mining Division

Boston Creek was the first area staked as a gold camp in Northern Ontario. This is an explanation of why the section including this camp and stretching north to include Kirkland Lake, is known as the Boston Creek mining division.

The first staking was done in the area in 1906-7, a few years after the discovery of Cobalt, and was followed by the staking of Porcupine, and later, Kirkland Lake camp came into the picture.

Though it was not known as such at the time, it seems certain that claims were staked in what is now known as Kirkland Lake before Porcupine, as the prospectors spent a considerable time north of Boston Creek camp in 1916-7.

Porcupine drew heavily on the prospectors who were working in Boston Creek and it was not until the discovery of Kirkland Lake that the prospectors again took up the hunt for gold in Boston Creek. This was in 1913. The R.A.P. and Boston Creek Mines were the two operations to attract attention in those days. That was in 1915. There has been more or less spasmodic exploration ever since until about a year ago when things began to hum. This year is expected to see big things transpire.

Boston Creek, prior to the advent of the Barry Hollinger, and later, the Gold Hill mills, had a small gold bullion production to its credit. Patricia Gold Mines, which was operated by the late Chas. O'Connell, and which is now the Barry Hollinger, had a small mill operating. It was burned down in 191[illegible]. Miller Independence was the old producer of the early days.

Geologists' Report

A. G. Burrows, new provincial geologist, and P. E. Hopkins, formerly of the Ontario Geological staff, made a report on Boston Creek in 1921. They evidently had visions of mining efforts other than gold, being made in the section, for they said at the time that gold was the chief mineral sought in the area at "the present time." They said that the gold found was usually native, but occasionally was found combined with tellurium. In discussing the original of the deposits, they say:

'As pointed out by W. G. Miller and C. W. Knight in a paper entitled "Metallogenetic Epochs in the Pre-Cambrian of Ontario," most of the gold deposits of Ontario belong to the Algoma epoch. The gold deposits of Boston Creek supply another example of gold being derived from acid intrusives of Algoma age. The granite, syenite and feldspar-porphyry exposed in this area by erosion are probably different facies of a plutonic rock which underlies the whole area. The gold generally occurs near these acid rocks. The presence of a number of gold-bearing veins along the contact of the intrusive porphyry and older rocks at Boston Creek as in many other parts of Central Canada, and the frequent occurrence of auriferous quartz veinlets in the porphyry and granite, suggest the relationship between the intrusives and the veins. The relationship is more clearly shown in this area by the occurrence of gold in a pegmatitic vein in the granite on the Charest claim, McElroy Township.

The deposits are in part due to the replacement of the country rock by mineral solution.

Only a few minerals which characterize deposits that are formed at high temperatures are found in the veins at Boston Creek. Actinolite was noted in a thin section of material from the Kenzie vein, and specularite has been frequently observed in other veins. Tourmaline formed at high temperature has been noted in quartz veinlets at the Catharine gold property. It is probable that the deposits were formed at great depth, but not at extremely high temperature.

MARRIOTT MINES HAVE GOOD RESULTS

Surface Exploration is Found to be Highly Satisfactory

In addition to the diamond drilling campaign being carried on by Marriott Mines, surface exploration is also being carried on with highly encouraging results. Lately, the surface crew have been investigating the grano-diorite area to the northeast of the original discovery.

A test pit for twenty feet in depth through overburden was put down to find this formation carrying heavy mineralization. Work on this from another angle and trenching toward it from the high ground just east of the original discovery, the results are sufficient to indicate that this formation extends to a point much closer to the ore outcropping than had previously been expected.

In this trench, there was considerable evidence that the rhyolite had been affected by the grano-diorite intrusion. This trench showed very good mineralization. Soundings are being made along the strike for the purpose of putting down more test pits. Further trenching has also been done to the southeast near diamond drill hole number 13.

This work has picked up a strong continuation of the mineralization found last summer and cross trenching is being done at this point to investigate what appears to be another contact between rhyolite and andesite. This is of great importance not only because of the mineralization already found, but also because of general conditions resembling those around the original discovery which it will be recalled gave an assay value of better than 26 per cent. copper with approximately $1.50 in silver and $4.00 in gold.

Diamond drilling is still revealing excellent mineralization, and the management expects to cut the surface high grade at any time now.

The results to date justify the management in proceeding with a complete mining plant and arrangements are being completed now in this connection and further important news is expected shortly.

Payroll in Camp is Growing Steadily, and Great Strides are Expected as Soon as Snow is Off Ground

BRANCH BANK TO OPEN UP IN DISTRICT SOON

Barry Hollinger and Gold Hill are Producing Gold—Active Area Extends from Railway Station to Boston Creek East for Twelve Miles to the Telluride

Amity Copper
Peterson Mines
Trethewey Ossian
Barry Hollinger
Miller Independence
Cotter-Campbell
Bennett
Boston McCrea
Hilltop
Gold Hill
Gold Ridge
Ostrom
Telluride

With the above operations, Boston Creek camp is assuming an importance that many have overlooked.

The payroll in the camp is growing steadily and as soon as the snow is off the ground, great strides forward are to be expected.

An evidence of the important position which the camp is assuming is the fact that one of the banks is going to open a branch there.

Boston Creek, while primarily a gold camp, now gives promise of having both gold and copper producers. It may work out that some of the properties will operate both gold and copper sections.

Barry Hollinger and Gold Hill are now producing gold. The copper operations are just getting nicely under way. Production of this metal is a considerable distance off, but Amith, the most advanced of the copper propositions, seems earmarked a mine.

The active area for the moment extends from the T. and N. O. station at Boston Creek, east for 12 miles to the Telluride. This is the farthest east operation to date. Beyond that, however, is what is known as Skead, an area of decided promise and which may ultimately provide a substantial section to the active mining area of Boston Creek.

The present year's developments in the camp are worth the close attention of everyone interested in mining. Deep mining will be launched on two properties. Barry Hollinger is now about ready to start driving a three compartment winze from the 1,000-ft. level down and is likely to go right through to the 1,500-ft. horizon before undertaking much lateral work other than cutting the vein at the different levels established.

Gold Hill, the second producer of the camp, is down to 800-ft. and has carried on a substantial program of development at the level and is now diamond drilling. It is the intention to launch sinking operations as soon as possible and it is understood that the plan will be to open the property out to 1,300-ft.

Hill Top Mines Has Plans for an Aggressive Operation

Hill Top Mines, Boston Creek, has laid plans for the carrying on of an aggressive operation. The company sank a shaft to 400-ft and the results were so encouraging that it was decided to instal a modern mining plant and open up the property in a substantial way. Hill Top's finances are in excellent shape.

It is just announced that the services of J. V. Ronaldson have been secured as manager. A graduate of Edinburgh University, he had considerable experience in the Old Country and has been engaged in contracting underground at the Hollinger Consolidated Mines, Porcupine, for considerable time.

A good portion of the new mining plant has been delivered to the property and the manager will immediately take up its installation. The plant will be electrically driven and capable of going to 1,500-ft.

Hill Top got excellent values over encouraging widths in sinking its 400-ft. shaft and the plan is to go deeper, immediately the plant is ready.

Operations Are Proceeding on Brett-Tretheway Mines

KIRKLAND LAKE.—Winter roads have opened up and supplies are being taken in by the Brett-Trethewey Mines to its two properties in Barnett and Clifford Townships. Camp buildings have been erected on both properties and crews of ten men each are carrying out operations on both, under the direction of J. E. Brett.

A portable Ingersoll-Rand compressor is being taken into Clifford property and diamond drilling is to be carried on.

Sinking and rock work is being carried out on the Barnett property.

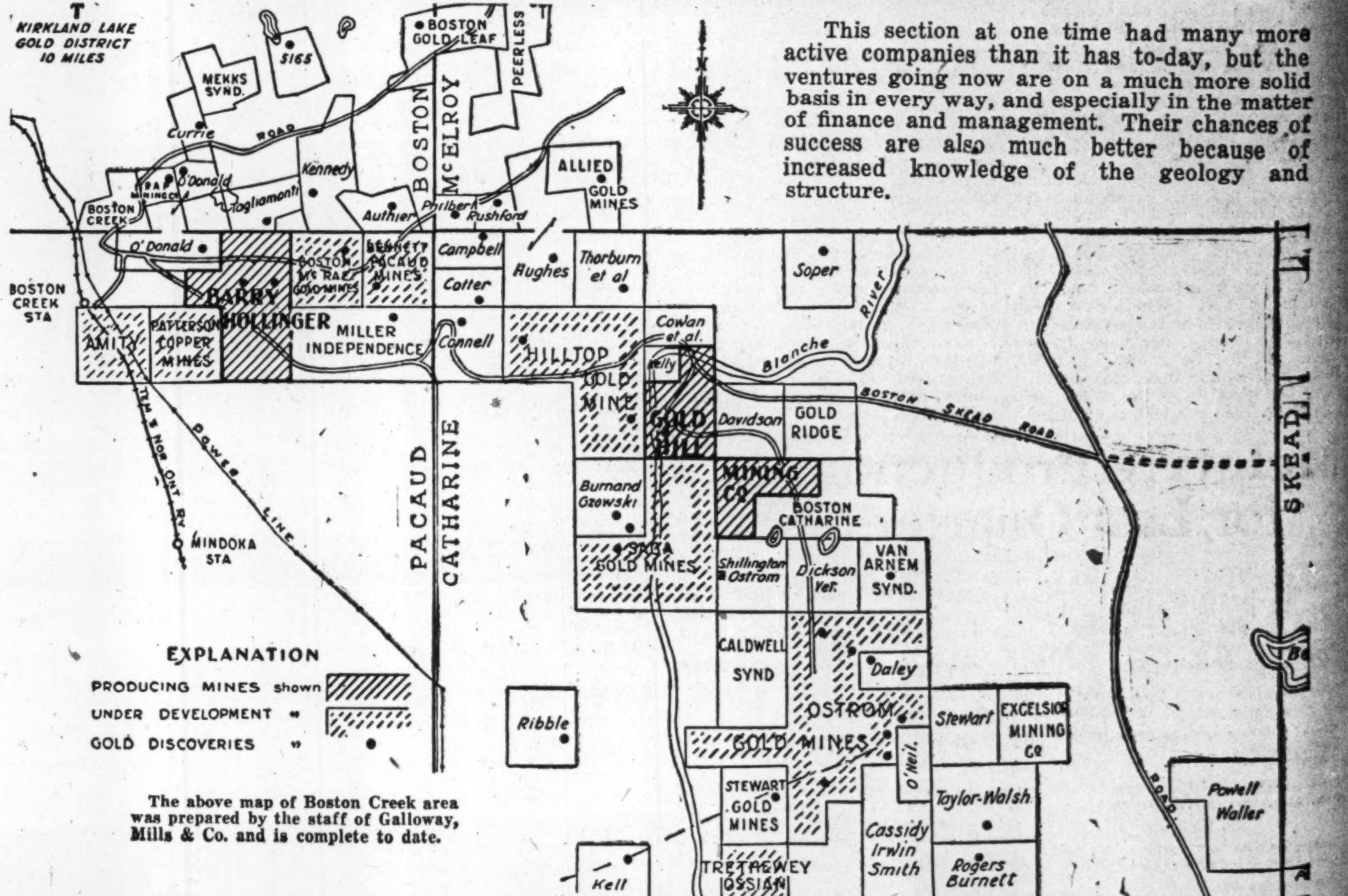
New Brunswick Makes First Copper Shipment

FREDERICTON, N.B.—The first export shipment of New Brunswick copper ore to go to Europe will leave the port of Saint John this week for Antwerp to be smelted in Belgium. Canadian International Corporation, Montreal, from the copper mines at Annidale, Kings County, formerly owned and operated for a short time by two brothers who came from California and died on the property while operations were being commenced.

This test shipment consists of hand-cobbed ore. Samples of the ore from Annidale recently showed 12.79 per cent. copper.

Map Showing Various Boston Creek Properties

This section at one time had many more active companies than it has to-day, but the ventures going now are on a much more solid basis in every way, and especially in the matter of finance and management. Their chances of success are also much better because of increased knowledge of the geology and structure.



The above map of Boston Creek area was prepared by the staff of Galloway, Mills & Co. and is complete to date.

Glaciers Missed Boston Creek Area and Left Mineral Deposits Intact; Future Holds Much Promise

This District is Only Camp of Prominence in North Which Has Enjoyed Good Fortune From Nature's Depredations

ATTRACTIVE VISTA IS OPENED UP FOR CAMP

Geologists Aver Half Original Silver Deposits at Cobalt Were Carried Away by Glaciers and This Accounts for High-Grade Ore Found on Surface

What treasures will deep development of the Boston Creek area bring forth?

This is an interesting point to conjure with.

Geologists agree that the Boston Creek area has not been glaciated at all. This means that the glaciers in their ramblings, or snail-like progress, missed passing over this section.

Boston Creek is the only camp of prominence in the North that enjoyed this good fortune.

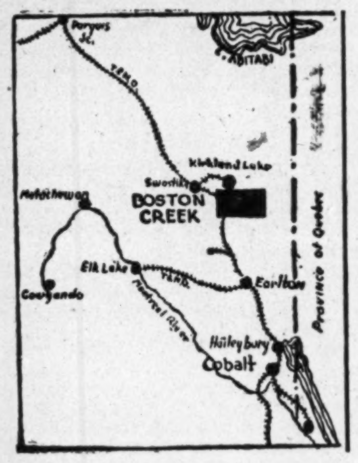
This means that the mineral deposits that were shot through the fissures of the rock from the bowels of Mother earth are in place in toto, to be won by the fortunate operator that encounters them.

Just to the north is Kirkland Lake. This area was glaciated. A good section of the top was carried away by the glaciers, but here, again, fortune favored. The glaciers did not dig deep enough to gouge out part of the ore bodies with the result that it was necessary to go 200 feet below the surface to get to the rear ore bodies.

Geologists and engineers have been known to weep at the thoughts of the terrible catastrophe that happened to Cobalt. How much of this camp was carried away when the glaciers passed over it is unknown, but some have expressed the opinion that half the original silver deposits of the camp were carried away by the glaciers. This is the explanation of the fact that so much real high grade ore was found right on the surface of the camp. It is also the explanation of why the deposits of the Cobalt camp are comparatively shallow.

These facts all tend to open out an attractive vista for the Boston Creek camp. Porcupine was glaciated, yet it is known to have deposits down to 4,000-ft. Boston Creek can at east expect as much as the Porcupine camp.

Boston Creek's Location



Telluride Mines Open Up High Grade Ore Shoot

Telluride Mines, located in Skead Township, and the farthest east operation in the Boston Creek camp, has now opened out a 60-ft. shoot of high-grade ore on the 200-ft. level. The vein is strong and shows a constant width of 3-ft. 2 in. It is a contact vein between the andesite and porphyry and a six-foot slash into the porphyry shows that values running around $5 and $5.60 carry for this distance into the porphyry.

This drift has been run for 90-ft. east of the shaft and after passing through a fault 30-ft. from the shaft, the ore was encountered. A similar drift has been run west and some chalcopyrite and bornite encountered. It is likely that further work will be done here.

Amity Copper Property Planning to Instal Plant and Commence Working

Some Very Interesting Developments Have Taken Place on 250-ft. Level and Vein is Longer Than on Level Above

Developments have reached such a stage on Amity Copper property at the Boston Creek station of the T. and N. O. Railway, that it has been decided to instal immediately an electric plant and carry on an aggressive mining operation.

It is doubtful if there is just another operation in the north that has been handled like Amity.

The sponsors of the operation took up the property and launched its exploration with their own money. They went at it carefully. About all that they bought were the needed underground equipment and a portable compressor. They erected a couple of small buildings and rented another.

With the portable machine they have sunk a shaft 250-ft. and carried out considerable lateral work on the 125 and 250-ft. levels. It is understood that the total overhead to-date has been about $6,000. Part of this paid for engineering service and every cent spent outside that went into the ground.

To-day, they have the property opened out to a stage where they have promise of developing a mine and feel that they are now justified in installing a modern plant. The power line crosses the property so that there will be no long waits for power.

Before launching underground work, the company did a considerable amount of diamond drilling, and got rather spectacular results. When the property was opened up laterally on the 125-ft. level, it was found that the values checked well with the drilling. The first hole has been passed on the 250-ft. and this also checked so that it is being assumed that the other two will check on the 250-ft. horizon.

Some very interesting developments have taken place in the work to date on the 250-ft. level. There it is being found that the ore shoots in the vein are considerably longer than on the level above. High lead values have just been encountered.

The surface outcrop on the property is continuous and quite uniform. It has been opened up for 1,500-ft. and then it passes into low ground. The company has a possible additional length of 800-ft. in this low ground, which Manager Paine believes may prove to be the best section of the body, before it passes into the adjoining Paterson property. On the latter property they have a high grade copper outcrop.

On the 250-ft. level, it has been found that the vein is more open, and that the cross quartz fractures are more frequent and larger. It is to the vicinity of these factures or intrusions that the ore shoots are looked for. The width of the 125-ft. level was quite consistent around 9 and 10-ft. On the 250-ft. level, there are places where it bulges to 13-ft. Drifting is being done on the hanging wall and occasionally a little crosscut is run to establish the full width of the vein. In some places, the ore shoots reveal solid chalcopyrite on the hanging wall and the remainder of the vein is banded with thin and thick bands of chalcopyrite

On the 250-ft. they are 150-ft. south of the shaft and it was here that excellent lead values were encountered. The ore here assayed 2.28 per cent. copper, 13.6 lead with no silver. This works out 45½ lbs. of copper at 13 cents, and 272 lbs. of lead at 6 cents, or a total of $22.22. It is found that iron pyrites alternate in the vein with the chalcopyrite shoots, and it is evident that the chalcopyrite has come in and replaced the pyrites. The average of the copper shoots which are excellent lengths, runs 7, 8 and 9 per cent., but it is expected that the run of mine will work out to be about five per cent.

Except Share Overbooming Nothing Seems to be Wrong With Bidgood Mine Workings

(Continued from page 20)

tion of the sixth level, near the shaft, is flooded to a depth of about a foot. Someone saw this and hence the rumor.

As to the mine, Bidgood's shoot of ore on the 300-ft. level is equal, if not better than anything else developed at that horizon in the camp. It is consistent, has great possibilities for length and carried good commercial values throughout. In some sections the values are sensational. Work is proceeding apace on the 400-ft. level. So far, a mineralized zone somewhere around 40-ft. in width has been crosscut. It carries low values, and it is obvious that it is not the downward extension of the 300-ft. ore. That some difficulty might be expected in picking this up, is quite apparent from the broken and twisted nature of the structure on both levels. However, when the writer looked at the face of the crosscut on Saturday morning, a rather interesting condition, much the same as on the 300-ft. level, and in which there was considerable molybdenite, was being penetrated. Such a condition led to the ore shoot in the 300-ft. crosscut.

As regards the 600-ft. level, they are driving east, and 60-ft. farther on will run a crosscut north-west. The expectation is that it will take at least a month for the operation to get to the section where favorable results are to be expected.

300-Ft. Level

Many have been asking as to the values on the 300-ft. level. The ore shoot is now 200-ft. long, and is increased to the south-west by the raise on the 250-ft. which is in a couple of rounds and showing strong in the face. A few of the sections picked at random give some ideas of values. Taking the face of the vein in three two-foot sections, one 30-ft. shoot gave the following values; $31.20, $112.20 and $93.80 an average of $79.40. Ten feet east is another section and taking the same widths, the values are: $38, $5 and $18.40. Farther east, a 16-ft. section gave an average of $12. Another substantial section gave $10.20, $20.80 and $12.60. These are typical of the whole level as opened to-date and these values have been carefully checked.

Bidgood is very well equipped and good mining is in evidence throughout the operation.

Operations to be Launched on Cotter and Campbell

It is understood that Chas. Gentles and associates have taken up the Cotter and Campbell properties in Boston Creek and will launch operations. A. J. Young and associates have the Gold Ridge and are working it. Thus two good looking properties will come under development immediately.

NEW OSSIAN SHAFT

Trethewey Ossian is planning to sink a new shaft in Boston Creek. It will be adjacent to the boundary of the Patterson Copper which in turn adjoins Amity Copper.

Barry Hollinger Plans to Open Deep Levels: South Area Important

Telluride Ore At Boston Creek

Boston Creek is credited with having revealed to Northern Ontario the first telluride ore.

Miller Independence, which was financed principally in Akron, Ohio, opened out some very spectacular ore, but the operation was not a success and the property has been closed for several years. There is considerable talk now of reopening it and resumption of explorations.

GOLD HILL STARTS DIAMOND DRILLING ON ITS PROPERTY

Spectacular Results Obtained When No. 3 Vein Was Cut

Gold Hill Mines, Boston Creek, which was opened down to 800-ft. and which has been feeding its mill from development ore, is diamond drilling prior to launching a new and extensive exploration campaign.

Recently, some spectacular results were obtained when the diamond drill cut vein No. 3. The core indicates that the vein is of the same structure as No. 1, or the main vein on which all the work has been done, but is much wider. As was the case with No. 1 also, the sulphides are apparently in masses.

Overburdened With Clay

No. 3 vein does not outcrop anywhere on surface, as this section of the property is all heavily overburdened with clay. No. 4 vein, to which the drill hole is being continued, lies about 400 feet north from No. 3, judging by its dip and where it outcrops on surface it has good width, but assays were low on surface. There is a possibility of this being remedied at the depth at which the drill will intersect it, viz., 800 feet. As soon as this drill hole is finished the cross-cut will be continued to No. 3 vein. This will occupy about a month's time.

Gold Hill's mining and milling equipment is all new and entirely up to date. A ten-drill compressor furnishes sufficient air to enable the management to explore these new veins without interfering with the stoping of blocked out ore in No. 1.

OSTROM GOLD MINES HAS BIG EXPANSION

Extensive Campaign of Development is Proceeding on Property

Ostrom Gold Mines has carried on an extensive campaign of development on their 760-acre property in Catharine Township, Boston Creek area. Early last year, complete mining equipment was installed, including a 612 cubic foot compressor, 10 x 12 hoist, two 60-horse power boilers, blacksmith shop and a bunk house capable of accommodating 60 men. The compressor and hoist are capable of carrying on development to a depth of 1,500 feet.

Shaft sinking operations were commenced late in June on vein No. 12, which is eight feet wide on the surface. Since then the shaft has been sunk to a depth of 529 feet, with stations cut at 200, 350 and 500-foot levels. The objective for the present was 500-ft., and lateral work at this level is now under way. The management purpose exploring a number of promising intersecting veins within a radius of approximately 600 feet of shaft. It is expected that vein No. 12 will be cut about the end of the week.

A report on the property was made by J. W. Morrison, M.E., in which he states: "I might say I have never seen a finer system of large quartz veins than occur on these properties."

Previous to commencement of shaft sinking, an extensive campaign of surface development was carried on, disclosing over 25,000 lineal feet of vein system, with widths of veins varying in widths from one foot to 100 feet or more. The veins are heavily mineralized, and a number of the more important veins carried spectacular free gold.

G. E. Silvester, M.E., president, is an engineer of wide mining experience in the North country. James Houston,, M.E., is manager at the property.

AMULET EX-RIGHTS

Amulet Mines, Limited, will sell ex-rights on Friday, January 20th. Since Wednesday of this week shares of Amulet Gold are not being accepted as deliveries through the Clearing House on sales of Amulet Mines.

Attention Focused on the Latest Plans of Management

MILL DOES BETTER

Old Section of Mine Providing All Ore That Can be Hoisted

While plugging away and feeding the mill, now profitably from the old section of the mine, Barry Hollinger seems to have opened up a new and somewhat different mine to the south. The situation at the property as it stands to-day, has great possibilities. Deep development below the 1,000-ft. level has been launched and actual sinking will soon be under way. The plans are to drop to the 1,500-ft. horizon as rapidly as possible and to then open up these deep workings at the points where stations are established later.

The new sinking will be done a considerable distance south of the present two compartment shaft. The winze will be made three compartment and the proposal is to later drive this through to surface and establish a new shaft. The present small shaft is quite inadequate for the needs of the mine so that the new shaft will also take care of this and at the same time save a great deal of underground haulage for muck.

The new shoot opened to the south is on what is believed to be a continuation of the old No. 7 vein. It was encountered at the 1,000-ft. level in a cross-cut which ran south and was then drifted on for 170-ft. For this length the ore is of excellent width and carries very high values. In one part the vein opens for a width of 24-ft. and what might well be called high-grade ore.

Later the vein was cut on the 800-ft. level where it showed the same values and widths, but a length of only 40-ft. and it has now been established that around about 750-ft. the vein domes out into country rock.

Increasing Length

Having learned these facts, Manager Richard Treloar has concluded that, as he goes down, he will get an increasing length on the vein. If this proves to be the case, Barry will make ore very fast.

The attractive feature of this section of the mine is that the ore is entirely different than that in the old section. In the old workings there was a great deal of calcite and this resulted in a heavy dilution when broken down and made it difficult to keep the mill heads up. This has been accomplished, however, by cobbing out considerable of the calcite, and of late, the mill has been running on a profitable basis. The new work to the south is being charged to capital account.

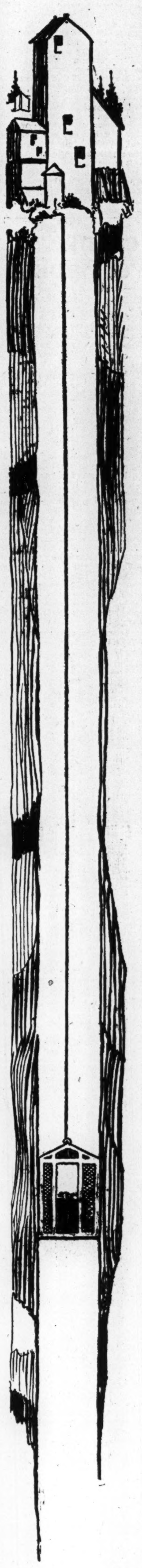
Substantial Tonnage

The tonnage going through the mill is now averaging around 100 daily. The mill could be easily stepped up and there is a substantial tonnage of ore ahead of it, but for the fact that about 75 tons of waste rock comes from new development work daily and this has to be kept out of the way. The result is that the small two compartment shaft is taxed almost to capacity.

A large new compressor is on its way to Barry and will allow for a considerable expansion of work. At the present time there are really two mines going, one a considerable distance from the other and all with the equipment suitable for one operation. Besides, there are a number of very atractive situations in the original workings that it is the intention to attack as soon as possible.

Never Sweat Opening "Never Sweat" Mine

There are some peculiar cognomens attached to some mines. Anaconda Copper, for instance, has the "Never-Sweat" at Butte, Mont. When the locators of the claim appeared before H. S. Clark, who was then clerk and recorder in the district, they offered him an interest in the claim for his recording fees. He asked them the name of the claim, and they told him that, although they had worked on the tract all winter,they had not as yet named it. They then asked him to suggest a name. He said, "Have you worked hard all the winter?" and they replied, "We work hard but never sweat much." He then suggested that they name the claim the "Never Sweat."



A Sketch of Barry-Hollinger's Big Plant

The 1928 Outlook at Barry-Hollinger Mines

Barry-Hollinger Gold Mines Limited during 1927 carried on a campaign of development which greatly improved the standing of the property both as to ore resources and results in gold bullion produced.

On the threshold of the New Year, directors and management look forward to developments which will place the property during 1928 definitely in the ranks of Ontario's important gold producers. The discovery of a large and rich new ore body at the 1,000-foot level has led to the immediate decision to sink to lower levels, where, it seems scientifically certain, the real mine of Barry-Hollinger is to be found.

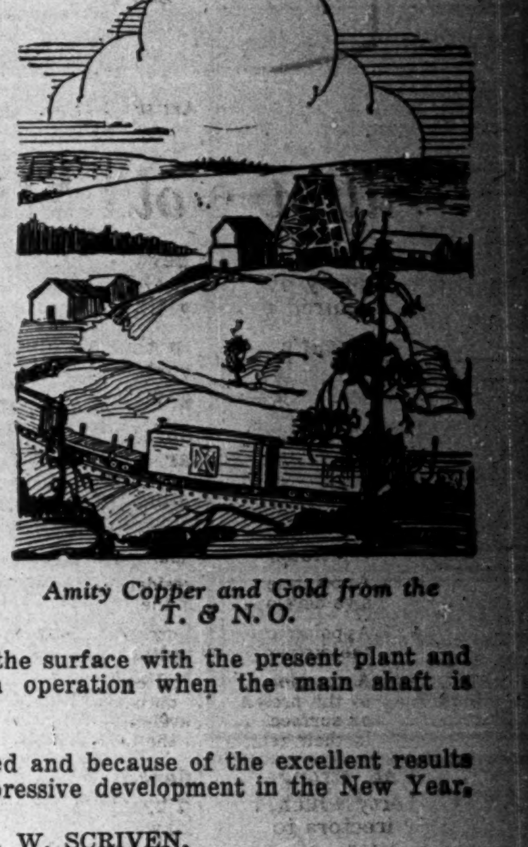
The Patterson Copper Mines Limited will be developed under the Barry-Hollinger engineering staff and, as Barry-Hollinger own a million and a half shares, it is fully anticipated that this copper operation will make the shares a very valuable asset to Barry-Hollinger.

The shareholders, management and directors may well look forward to 1928 with high hopes of success. Finances are in excellent shape and there seems to be no doubt that Barry-Hollinger has turned the corner that leads to steadily-increasing production.

With the heartiest of the season's greetings to the men of the mining North and those who make their efforts possible.

(Signed) H. C. CROW, President.

Barry-Hollinger Gold Mines, Limited
(No Personal Liability)
President's Office: — 1104 Northern Ontario Bldg., Toronto.



Amity Copper and Gold from the T. & N. O.

Amity Copper & Gold in 1928

Amity Copper & Gold Mines Limited enters the New Year with the confident expectation of materially extending its copper ore bodies by depth development.

While several Ontario mines find a copper content in their ore, Amity is the first strictly copper development in the province. The ore is of a high grade, with a fair percentage of gold.

Amity has proven the existence of its ore body by diamond drilling for a length of more than 2,000 feet. It has sunk a shaft to 250 feet and drifted at three levels. The ore holds in the face of each drift and at the 250-foot level is the width of the drift.

During 1928 the shaft will be continued to 500 feet or 625 feet, and sufficient drifting will be done to locate the best position for the company's permanent shaft, with the intention of raising the new shaft to the surface with the present plant and providing a new plant to carry on operation when the main shaft is completed.

The company is adequately financed and because of the excellent results to date looks forward to its most impressive development in the New Year.

(Signed) F. W. SCRIVEN,
General Manager,

Amity Copper & Gold Mines Limited
(No Personal Liability)
Head Office: — Lumsden Bldg., Toronto.

OSTROM GOLD MINES LIMITED

Capitalization $5,000,000 Par Value $1.00
Approximately 2,700,000 Shares Issued

760 acres in one block owned outright.
Shaft down 500 feet.
Extensive lateral development now under way on 500 foot level to reach 10 veins within short distance of shaft.
Efficient mining plant, good for 1,500 feet depth.
Over 25,000 lineal feet of veins disclosed on surface.
Long, well-defined fractures, wide veins.
Economical and efficient management.
One of the large gold mines in the making.
A limited amount of treasury stock for sale at 50 cents per share.

HEAD OFFICE: 303 Stair Building
331 Bay Street, Toronto 2,

G. E. SILVESTER, M.E., President
JAS. HOUSTON, Mine Manager

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Toronto 2, Ont.
26 Beaver Street, New York City
HANS LUNDBERG

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ASTORIA ROUYN MINES LIMITED
Interesting reports indicate a potential ore body 1,000 feet long and 74 feet wide. Test pits 8 feet to 22 feet deep at different points show increasing mineralization at depth.
Field operations, under the personal direction of J. G. Sipprell, a competent mining engineer of experience and integrity, are being pushed forward aggressively.
The company is backed and administered by a Board and Executive of exceptional strength.
Invest now. Write.
74 Sparks Street, Ottawa

GOODLY AREA IS UNEARTHED IN FORT HOPE

Development Work is Now Started on Remarkable Gold Discovery

SHAFT TO BE SUNK

Lorne B. Howey, Discoverer of Howey Mine, is Behind Fort Hope Discovery

By Staff Editor

HAILEYBURY. — Development work is to begin immediately on the remarkable gold discovery made at Fort Hope in the district of Patricia, Ont., by Lorne B. Howey, discoverer of the famous Howey Mine at Red Lake. The property in question is located approximately 100 miles north of Tashota on the National Transcontinental Railway, a distance of two miles west of Lake Eabamet, by winter route, and about five miles from the posts of the Hudson Bay Company and Revillon Freres at Fort Hope by water route.

The property was staked last July by a small party of prospectors, headed by Lorne B. Howey and his brother, Ray Howey. Remarkable results were obtained from channel assays made. Some, of course, were low, but others were exceptionally high, in one case running as high as $311 across a four-foot section. Assays from $12 to $71 were common and easily obtained. A private sampling taken by an independent party gave results as high as $422, and the smallest assay out of three made, gave a value of $50 across mining width.

Lost Their Outfits

The Howey party lost their outfits shooting the rapids on the Albany River and narrowly ascaped with their lives. After being forced to return to steel at Bucke, Ont., for further equipment, the party returned to the property in September. Prospecting, blasting and trenching were carried out by a total force of nine men, and the vein traced for a distance of 500 feet. The approach of the freeze-up prevented further work.

The Howey discovery at Fort Hope is considered one of the most promising that has ever been made in the North Country and the Fort Hope Gold Mines Company has been organized to develop the property.

A party of twelve men in charge of Colin R. Ferguson are now on their way to the property and will be employed in getting in supplies and preparing the camp for development work. Plans have been made for the erection of camp buildings to include an office, cookery, bunk house, warehouse, blacksmith shop, stables and other necessary buildings.

A contract will be let for the sinking of a shaft to sufficient depth to permit the erection of a head frame when power operations will get under way. A three drill compressor, a 250 h. p. boiler and a hoist have been ordered and are now on the way to the property.

Capitalization

The Fort Hope Gold Mines Co. has been capitalized at $3,000,000, divided in 3,000,000 shares of $1 par value. Of these, shares are held by the vendor company, the Albany River Gold Mines Co., the holding company for the discoveries made by the Howeys and their associates. The million shares will be retained as an asset in the treasury of the Albany Silver Co., and will not be traded in, and in this way will not interfere with the financing of the Fort Hope Gold Mines Co. Of the remaining 2,000,000 shares of the latter company, 500,000 are being offered for private subscription at 25 cents a share. If the high-grade ore continues after development work is got under way, valuable rights will probably be offered the subscribers to the first 500,000 shares.

The officers of the Fort Hope Gold Mines Co. are: President, J. W. Morrison, well known mining engineer and mine manager; vice-president, Lorne B. Howey, discoverer of the valuable Red Lake and Lightning River finds; secretary-treasurer, R. C. Cummings. Directors: F. G. McLeod and Ed. Horne, director of Noranda.

In submitting his report on the property, Mr. Howey, in referring to the ore deposit, states:

"The ore deposit (gold) on the property is in a zone of fracturing, the strike of the fracture being in a direction with a dip practically vertical.

To date, a few weeks' work with a small force of men engaged in digging narrow trenches and surface blasting is our only available information. However, gold values for a distance of 60 feet along the strike were very high (by channel assays) and selective mining would mean high grade ore.

The western extension of the break where values were high has not been uncovered by surface trenching. It has a possible length of 500 feet. The over-burden can be easily removed and this work will be watched with interest because of the fact that the last assay to the west gave values of $15.60 over a width of 30 inches.

"The easterly trench on the gold deposit was narrow and because of the timber, broken ground, and overburden, in addition to the small force of men working, it was only possible to trench at intervals along the break, and the narrow trench referred to being only two or three feet wide instead of at least 20 feet in width. On this narrow trench which was figured to be the ore zone, at a distance of approximately 500 feet from the rich zone to the west, values in gold were obtained by channel samples as high as $43 across a width of 32 inches.

"The vein material carrying the gold values, especially the richest ore, is very hard to determine on the surface, except by careful trenching across wide widths and by blasting shallow cross-cuts at right angles to the fractured zone.

"The small bands of quartz do not show on the surface and the narrow cleavage planes, which on examination, show considerable visible gold after blasting several feet below the surface, are easily overlooked.

"An examination of the gold ore show the cleavage planes and quartz stringers to have a strike parallel to each other.

Native Gold

"An extraordinary feature of the vein, as compared with other occurrences of gold in vein deposits, is the small fractures radiating from the quartz for half to one inch long, which under a powerful microscope are found to be filled with native gold without any sign of quartz. In another instance, gold was plainly seen without the use of the microscope in the dark horneblende rock which accompanies the quartz stringers.

"The minerals in the deposit were chalcopyrite, pyrohiotite, and pyrite. The presence of telluride was suspected, but has not yet been determined. Visible gold shows in each of the minerals mentioned and therefore it is reasonable to conclude that no special part of the break can be said to be carrying the gold, except that the mineralized sections and the quartz bands are the most favorable."

JAY COPPER - GOLD MINES
LIMITED
(No Personal Liability)
We recommend the purchase of the Stock of this Company.
BECAUSE
The Shaft has reached a depth of 500 feet.
Ore has been cut at 100-200-325 and 400 feet, and Station is being cut at 500 feet preparatory to Cross Cutting and Drifting.
It is one of the deepest workings in North Western Quebec.
Radiore Survey now under way; indications most favorable.
Francis J. Hunter & Co., Limited
Mezzanine Floor, Mount Royal Hotel,
MONTREAL

Vancouver Exchange Prevails Over Spokane

B.C. City is recognized as Mining Centre of Western Canada and an Important Trading Place for Idaho and Washington

From Our Own Correspondent

VANCOUVER. — Spokane, which for many years has dominated the market for Western mine shares, and which centre was virtually built up from the mining development in the Kootenay Country of B.C., has now taken second place to Vancouver.

Spokane has been a centre of much strife in stock exchange circles of late, while trading in Vancouver worked up steadily.

In the old days of mining in British Columbia, Vancouver was a small city with a comparatively small supply of capital available for mine financing. Moreover, it was a long way from Nelson and vicinity for the Kettle Valley Railway, now operated by the Canadian Pacific Railway, had not been built. Spokane was the nearest city of any size. Consequently prospectors and miners with properties for sale went to Spokane, not only to holiday and spend their money, but to dispose of such holdings as they had found or developed. As a result most of the nice blocks in Spokane were built out of B.C. mine profits.

Gradually the ascendancy of Spokane over Vancouver has changed. There is a well established confidence in the integrity of the Vancouver Stock Exchange and its directors and faith in their judgment as shown in the listing of stocks.

To-day not only is Vancouver the recognized mining centre of Western Canada, but it is an important trading place for Idaho and Washington mining stocks.

For years, Seattle had refused to recognize mining as an industry having a higher standing as a field for the investment of funds than the old-time shell game, faro or "craps." The Seattle Chamber of Commerce, so alive to every other commercial opportunity for the thriving city on Puget Sound, deliberately passed up mining. To-day, watching Vancouver grow as a mining city as well as a seaport, Seattle is having a change of heart, and the group of mining men there, so coldly discouraged in previous efforts to have the basic industry recognized, are being given a more respectful hearing. An effort is being made to form a mining exchange there.

MINING STOCK QUOTATIONS

Week Ending January 17

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Jan. 17	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana	1	....	....	3.50	3.05	3.35	52240	4.90	.20	3.95	3.05
Aconda	1	....	....	33½	29	32½	233380	45	14½	34½	29
Afton	1	....	....	1.40	1.38	1.40	6285	1.30	1.00	1.40	1.25
Algonquin	1	....	....	2⅜	2½	2½	47100	5¼	2	3	2¼
Allied M.	•	....	....	....	....	....	....	5.51	2.70	....	....
Amity C.	•	....	....	42	36	37	45850	50	24½	44	36
Arno	.	....	....	30	30	30	500	....	....	30	25
Amulet	1	....	....	4.90	4.70	4.75	50126	7.10	.85	5.00	4.70
Apex	1	....	....	8¼	7½	7½	43050	10	1	9	7½
Area	1	....	....	.30	.22	.23	91250	1.95	.23	.32	.22
Argo. Con.	1	....	....	32	26½	27	248375	59	25	34	26½
Archean	•	....	....	....	....	....	....	18	17	....	....
Atlas	1	....	....	4½	4	4	28700	7	2	4¾	4
Ankerite	•	....	....	1.06	1.04	1.04	500	1.25	1.15	1.23	1.04
Bagamac	•	....	....	....	....	....	....	19	6	....	....
Baldwin	1	....	....	3	2½	2¾	25500	5½	1	3½	2½
Bedford	.	....	....	46	38	41¼	69650	52	19	46	38
Barry Holl.	1	....	....	1.13	1.00	1.00	270895	1.50	.25	1.20	1.00
Beaver	1	....	....	2.10	2.00	2.05	27905	2.75	.39½	2.25	2.00
Bellellen L.	1	....	....	3½	3½	3½	1000	23½	3	3½	3½
Bidgood	1	....	....	1.17	.84	.87	908975	1.83	.5	1.60	.84
Boischatel	None	....	....	5	4	4	34600	27	3	5	4
Bourlamaque	1	....	....	....	....	....	....	1.53	.50	....	....
Buckingham	1	....	....	6½	5	6	32100	9½	3	7	5
Bunker Hill	10	....	....	....	....	....	....	160	75¼	....	....
B.C.Develop.	•	....	....	1.53	1.40	1.53	13350	1.32	1.12	1.53	1.32
Cambro	.	....	....	50	47	47	4700	58	55	55	47
Can. Lorraine	1	....	....	15	15	15	300	72	10	18½	15
Capitol S.	1	....	....	18	17	17	800	34	14	18½	16
Capitol R.	1	....	....	18	13¼	14¼	166250	54¼	10	18	13¼
Castle Tre.	1	....	....	.76	.70	.71	18013	1.27	.61	.78	.70
Cen. Man.	1	....	....	1.92	1.69	1.72	77050	2.30	1.07	1.95	1.69
Chaput H.	1	....	....	14¼	13¼	14	82100	20	4¾	18	13¼
Clifton	1	....	....	1	1	1	300	3½	½	1¾	1
Coast Copper	5	....	....	54⅞	44½	52	15820	43.25	9.75	54⅞	36
Col. Kirk	1	....	....	8¾	7½	7½	212400	16	1½	9½	7½
Clericy	.	....	....	....	....	....	....	31½	31	30½	20
Coniagas	5	....	....	4.90	4.80	4.80	450	5.05	3.20	5.00	4.75
Coniaurum	5	....	....	5.40	5.25	5.35	839	5.78	2.80	5.50	5.00
Cons. Smelter	25	10.40	....	265½	252	261	3357	274½	215	256	251
Copper Hill	1	....	....	46	46	46	300	68	36	46	45
Corona	1	....	....	13¾	11	11½	68050	37	10	16	11
Crown Res.	1	....	....	64½	52½	58	56661	80	39	70	52½
Davidson	1	....	....	....	....	....	....	3	1	....	....
Destor	1	....	....	....	....	....	....	43	20	20	20
Dome Mines	None	$1	7.79	13.35	12.75	12.84	5300	14.60	6.85	13.35	12.50
Dom. Kirk.	1	....	....	6	5½	6	17700	12	1½	6½	5½
Don. Rouyn	1	....	....	22	18	19	29305	56½	17½	22	18
Dubec	1	....	....	.70	.55	.69	13700	1.48	.35	.70	.50
Duprat	1	....	....	10	8	8¼	58650	21	9¾	10½	8
Dupuy	.	....	....	....	....	....	....	79½	9	....	....
Everett	1	....	....	3	2½	2¾	10200	5½	1¼	3	2½
Federal Kirk.	1	....	....	75	70	70	49000	78	40	76	70
Fiske	1	....	....	....	....	....	....	30½	5	....	....
Fisher, Que.	1	....	....	....	....	....	....	2.20	.50	....	....
Gifford	1	....	....	....	....	....	....	1¾	¾	....	....
Gladstone	10	....	....	....	....	....	....	29	4	....	....
Goldale	1	....	....	44	42	42	27100	51½	20	44	39
Gold Hill	1	....	....	36½	33½	34½	148000	54	22	38½	33½
Gold Ore	1	....	....	....	....	....	....	2.45	.50	....	....
Gold Reef	1	....	....	2	1½	1¾	11000	2½	½	2	1¾
Granada R.	.	....	....	34	29½	29¾	174800	41	14½	35½	29¾
Grover Daley	1	....	....	12¾	10¼	12¾	111250	37	8	15	10¼
Goodfish	.	....	....	73	60	60	94233	....	....	78	53½
Harvie Exp.	None	....	....	.75	.60	.608	19045	2.40	.50	.85	.60
Hillcrest c.	100	6	10.00	....	....	....	....	65	50	....	....
Hillcrest, p.	100	7	8.09	....	....	....	....	90	81¼	86½	86¼
Hilltop	1	....	....	21½	20	20	35150	25	6½	23½	17
Hollinger	5	26	7.30	18.00	17.75	17.85	4700	22.65	16.40	18.10	17.60
Howey Gold	1	....	....	1.75	1.62	1.66	323225	1.78	.42	1.91	1.55
Indian	1	....	....	8½	7	8	6700	12	4	8½	5
Int. Nickel.	25	$2	2.18	95½	88¼	91½	100002	90¼	38	93	81½
Jackson M.	1	....	....	85	79	82	101150	86	36	85	78½
Keeley	1	16	24.61	.72	.65	.65½	16900	1.66	.69	.72	.65
Keora M.	1	....	....	5	4	4	3750	13½	2	5	4
Kirk. Hunt.	1	....	....	25	20	21	105600	35½	10	26	20
Kirk. Lake.	1	....	....	2.53	2.40	2.45	107855	3.06	.82	2.75	2.40
Koot. Flor.	20c.	....	....	34	29	31	184760	31	22	34	28
Lebel Oro	1	....	....	56	47	54¾	86325	66	30	59	47
La Rose	1	....	....	6	5	5	3150	12	3	7	5
Lake Shore	1	40+30	2.70	26.50	25.75	25.90	9006	28.20	15.40	27.70	25.75
Lakeside L.	1	....	....	....	....	....	....	6	½	....	....
Laval	1	....	....	27	20	24½	366755	59	19½	27	20
Lorrain C.	1	....	....	1	1	1	1950	3¼	1	1	1
Lorrain T.L.	1	....	....	....	....	....	....	.86	.52	....	....
Macassa	1	....	....	52	48	49	72700	69	18	52	48
Malartic	1	....	....	80	70	72½	128075	78	23½	83	70
Marclay	1	....	....	....	....	....	....	42	34½	....	....
Marriott	1	....	....	46	43	43	32250	45	35	46	39
McDougall.	1	....	....	55	47	49½	113550	90	24	55	50
McKinley	1	....	....	19	18½	18½	2300	25½	11	20	18½
McIntyre	5	20	3.63	28.00	27.00	27.75	7087	29.00	24.00	28.00	27.00
Mentor	10	....	....	....	....	....	....	14.00	12.00	....	....
Millcrest	1	....	....	10	8	8	24600	15	2	12	8
Mining Corp.	5	25c.	....	4.72	4.05	4.56	101253	5.05	2.90	4.72	3.80
Moneta	1	....	....	12	12	12	1000	15½	8¾	12	12
Montreal R.	1	....	....	16	9	10	7650	33	10	16	10
Newbec	1	....	....	.59	.49	.49	68150	1.20	.62½	.66	.49
Newray	1	....	....	....	....	....	....	50	28	....	....
Night Hawk	1	....	....	9½	8	8½	37750	10½	4	10	8
Nipissing	5	6	5.35	5.60	5.40	5.60	10665	10.30	5.25	6.00	5.40
Noranda	None	....	....	22.25	21.70	21.80	35779	25.80	19.95	23.75	21.70
Ophir	1	....	....	2⅜	2⅜	2⅜	1000	4⅝	¾	2½	2¼
Osisko	.	..	....	.54	.45	.48	40250	1.75	.35	.64	.45
Pawnee Kirk.	1	....	....	77	70	70	75600	78	54	80	70
Picard	.	....	....	77	76½	77	5700	....	....	77	76½
P. L. Cobalt	1	....	....	16½	8½	13	181750	18	2	16½	6
Porc. Crown	1	....	....	7	6	6¼	14600	11	3	7	6
Pioneer	1	....	....	.60	.48	.49	127325	1.18	.45	.60	.48
Potter Doal	None	....	....	22	16½	19	286900	65	10½	22	15½
Premier G.	1	32	13.61	2.40	2.25	2.35	18165	2.50	1.86	2.40	2.15
Preston	1	....	....	4⅞	4⅞	4⅞	3000	7	3	5	4⅞
Realty & M.	.	....	....	16	15	15¼	15700	38	15	17	15
Ribago	1	....	....	23	19¾	20	140750	87	13	25	19¾
Rouyn	1	....	....	....	....	....	....	5	1	....	....
Rouyn Gold	1	....	....	3	2	2¼	16800	4	2½	3	2
Rouyn Que.	1	....	....	....	....	....	....	4⅜	1	1½	1½
Rubec	1	....	....	.50	.45	.45	3300	3.65	.80	.80	.45
San Antonio	•	....	....	53	47	48	110050	57	30	54½	47
Sherritt-G.	•	....	....	6.50	5.95	6.50	1480	....	....	6.50	4.90
Sheritt V.T.	•	....	....	6.55	5.95	6.55	1300	....	....	6.55	5.95
Silver Leaf.	.	....	....	....	....	....	....	1¼	1	....	....
Siscoe	1	....	....	25	25	25	150	60	12	25	25
South Keora	01	....	....	15	15	15	200	64½	4½	17¼	15
Stadacona	None	....	....	20	16¾	17	146625	55	13	21	16¾
St. Anthony	1	....	....	40	36	36	8200	50	16	42	36
Sud. Basin	1	....	....	14.00	13.10	13.75	13435	11.85	4.00	15.00	11.50
Sylvanite	1	....	....	3.70	3.40	3.48	12375	4.80	2.60	3.90	3.40
Telluride	.	....	....	....	....	....	....	38	35	....	....
Teck Hughes	1	10.5	....	10.25	9.74	9.85	94536	12.00	5.37	10.80	9.74
Thomp. K.	1	....	....	....	....	....	....	2	½	....	....
Tough Oakes	1	....	....	73½	64	70	289425	82	25	79	64
Towagmac.	1	....	....	4.00	3.75	3.82	7636	5.75	2.85	4.10	3.75
Thom. Cad'c	.	....	....	....	....	....	....	50	38	....	....
Timiskaming	1	....	....	7	7	7	3000	12	4	7	7
Treadwell Y.	1	....	....	26.50	25.80	26.25	3430	26.75	18.50	26.50	25.00
Vic. Silver	1	....	....	....	....	....	....	14	1½	....	....
Vickers	1	....	....	1.00	.95	.95	4200	1.52	.25	1.25	.80
Vipond	1	....	....	.72½	.64	.65	42850	1.75	.47	.85	.64
Wakenda	1	....	....	9	7	7	90750	16	1	11	7
Wasapika	1	....	....	....	....	....	....	2	1	....	....
W. D. Lake	1	....	....	16	13	13¼	59200	20	8	17½	13
West Tree	1	....	....	....	....	....	....	4½	1	....	....
Wettlaufer.	1	....	....	....	....	....	....	4¾	1½	....	....
Wiltsey C.	1	....	....	55	54	55	11300	74	50	56	54
Wright Har.	None	20c.	3.44	6.35	5.50	5.80	314836	8.45	5.50	6.35	5.50
Windfall R.	•	....	....	23½	20	20	19250	31	19¾	25	18

GOOD PROSPECTS ARE ANTICIPATED IN SUDBURY AREA

250-ton Pilot Mill is in the Course of Erection

OPTIMISTIC OUTLOOK

If Results Reach Expectations, Metallurgical Plants Will be Erected to Treat Products

By A. BUISSON,
Mines Branch, Department of Mines, Ottawa

Readers of this newsletter series will recall the publication in May, 1927, of an article dealing with the recent development of deposits of zinc ore known to exist near Chelmsford in the Sudbury district, for some twenty-five years or more. Active prospecting in the interior of the Sudbury basin dates back to 1897, in which year shafts were sunk on the Stobie Falls and Ollier properties. The ore in both instances was zinc-copper-lead with small values in gold and silver. Diamond drilling in Balfour township several years later also indicated the presence of zinc-copper ore.

Correlating the results of the finds on these properties, a pioneer in this district, Mr. Joseph Errington, was induced to follow up the original discoveries and further prospecting was undertaken with encouraging results. Mr. Errington was successful in securing the co-operation of the Bunker-Hill and Sullivan Company in these operations, and this company, through its subsidiary, the Treadwell-Yukon Company, undertook in 1925 to prospect the showings by means of an extensive diamond drilling campaign. From June, 1925, until July, 1926, about 40,000 feet of drilling was done and the results obtained induced the company to undertake further exploration by means of underground development. The drilling, according to the annual report recently issued by the company, indicated the ore to have an average thickness of 23 feet, with an average assay of 1.35 per cent. lead, 2.66 per cent. copper, 6.03 per cent. zinc, 0.048 ounces gold and 3.18 ounces silver.

340 Foot Level

No. 1 shaft, started in August, 1926, has reached a depth of 340 feet; No. 2, which is located about 4,000 feet east of No. 1 has already been sunk to 300 feet, and will be extended to 600 ft. Both shafts will be connected on the 300 foot level by means of a long cross-cut to be driven from No. 2.

About 6,000 feet of lateral work has already been done from No. 1 shaft. Apart from the large deposit lying between the present shafts, diamond drilling has indicated two other important areas, one a half mile northeast of No. 2, and the other two miles further east. Much of the fault zone between these areas has yet to be prospected by drilling. The amount of surface and underground work is relatively small in view of the very large area to be explored, which covers some 6,000 acres, and extends over the strike of the ore zone for 25,000 feet, or approximately 5 miles.

Ready in February

A 250-ton pilot mill is in the course of erection and should be ready for operation in February of this year. It is expected that the mill will be kept running to full capacity on ore obtained from development. The products of the mill will likely be copper and zinc concentrates and a lead "middling" product.

If the results of the development programme come up to expectations, the company will eventually build a much larger concentrator and possibly proceed with the erection of the necessary metallurgical plants for the treatment of the various products, in which instance the lapse of a few years would see the establishment in the Sudbury basin of large scale operations and the rapid growth of a new important mining community such as was brought about by the nickel industry at Sudbury, the silver industry of Cobalt, and the gold industry of Porcupine and of Kirkland Lake.

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Abana Mines is an attractive mining speculation. The company is adequately financed and there appears to be no reason why there should not be rapid and efficient development.

Mining Prospects in B.C. are Vigorously Tested

Consolidated Smelting and Many Other Mining Concerns Are Developing Industry More Than in Any Other Time in History

By VICTOR DOLMAGE,
Geological Survey, Department of Mines

The number of prospects and slightly more developed deposits in British Columbia now under bond and which are being vigorously tested by capable companies or individuals would appear to be greater than at any other time in the history of the mining industry in this province.

Among the more outstanding of these operations are those being conducted by the Consolidated Mining and Smelting Company on the George Copper and Big Missouri properties of the Stewart district; on placer leases in the Cariboo and Atlin districts; and on copper-gold deposits in the Taseko Lake district.

Extensive Operations

The Revenue Mining Company is carrying on extensive operations on a copper-gold deposit on Kutze Inlet, one hundred miles south-east of Prince Rupert, and will soon commence work on the Teddy Glacier property in the Kootenay district. The Premier Company is commencing a 1,500 foot tunnel on the Prosperity claims of the Marmot River section of the Stewart district. General F. A. Sutton is planning an extensive drilling campaign on certain placer ground in Cariboo; W. R. Wilson is developing a large showing of lead-silver zinc ore, recently discovered in the Finlay River district; the Hecla Mining Company of Idaho is conducting large operations on the old Union Mine of the Franklin Mining Camp in the south-central part of the province, and many other operations of only slightly less importance are being carried on in different parts of the province.

Of particular interest is the recent announcement of the completion of plans for the reconditioning and further extension of the Bear River Railway at Stewart. Of interest also is the news that a subsidiary of the British Metals Corporation has established a sampling plant and bunkering facilities on the site of the old Ladysmith smelter on Vancouver Island. It is the intention of this company to purchase ores and concentrates and to ship them to Wales for smelting. When a large and constant supply becomes assured, however, it is likely that the means will be established for smelting them on the spot.

Good Grade Ore

Among the more significant and encouraging results of the operations during 1927 might be mentioned the discovery in the Whitewater mine in the Slocan district of good grade ore extending to the 1,500 foot level and showing every indication of continuing to still greater depths. This deposit is in limestone, a formation of this district in which it was formerly thought unlikely that ore of good grade would be found at such depths. The discovery of this ore body, with a similar discovery made on the Lucky Jim, a neighboring property, in the same formation, throws new light on the possibilities of this old but highly productive district. The Howard mine has grown from a mere prospect which lay hidden for years near the City of Nelson, into a mine of considerable proven worth and great potentialities. The year's operations on the Pioneer gold mine in the Bridge River district have been outstandingly successful and have proved the vein to extend to the 600 foot level where it is wider and richer than in the old workings.

Prospects for British Columbia indicate an increased production of lead, zinc, silver and gold in 1928, and a greater total mineral production in the coming year than in 1927.

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